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ABSTRACT

This document reports on a congressional hearing on race and sex discrimination in the operation of the Job Training Partnership Act. It examines findings of a General Accounting Office investigation that revealed that women received disparate treatment in job training services in nearly two-thirds of the localities surveyed and that black males received fewer and less intensive services than white males. Testimony includes statements, letters, and prepared statements from representatives in Congress and individuals representing the U.S. Department of Labor, Employment and Training Administration; Directorate of Civil Rights, U.S. Department of Labor; and the General Accounting Office. Appendixes include questions and answers for the record from two individual representing the Department of Labor. (YLB)

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RACE AND SEX DISCRIMINATION IN THE OPERATION OF THE JOB TRAINING PARTNERSHIP ACT

HEARING

BEFORE THE

EMPLOYMENT AND HOUSING SUBCOMMITTEE

OF THE

COMMITTEE ON
GOVERNMENT OPERATIONS
HOUSE OF REPRESENTATIVES

ONE HUNDRED SECOND CONGRESS

FIRST SESSION

JULY 17, 1991

Printed for the use of the Committee on Government Operations

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RACE AND SEX DISCRIMINATION IN THE OPERATION OF THE JOB TRAINING PARTNERSHIP ACT

WEDNESDAY, JULY 17, 1991

House of Representatives,
Employment and Housing Subcommittee
of the Committee on Government Operations,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:08 a.m., in room 2154, Rayburn House Office Building, Hon. Tom Lantos (chairman of the subcommittee) presiding.

Present: Representatives Tom Lantos, Matthew G. Martinez, Rosa L. DeLauro, Charles J. Luken, and Ileana Ros-Lehtinen.

Also present: Representatives John Conyers, Jr., and Frank Horton.

Staff present: Stuart E. Weisberg, staff director and chief counsel; Lisa Phillips, professional staff member; June Livingston, clerk; and Christina J. Tellalian, minority professional staff, Committee on Government Operations.

OPENING STATEMENT OF CHAIRMAN LANTOS

Mr. Lantos. The Subcommittee on Employment and Housing will please come to order.

At this morning's hearing, the Employment and Housing Subcommittee will focus its attention on race and sex discrimination in the operation of the Job Training Partnership Act. This act, enacted by Congress in 1982, is our Nation's major employment training program. It provides Federal funding for State and local agencies in cooperation with the private sector to train economically disadvantaged individuals for jobs and to assist them in finding employment.

In October 1988, the Chicago Urban League released a study which found, "evidence of differential patterns of service and job placement for white, black, and Hispanic JTPA participants, and that on-the-job training programs where private employers exercise considerable discretion in who is chosen shows clear biases toward whites." The report concluded, "For blacks our study finds consistently lower job placement rates and wages, indicating the existence of an institutionalized pattern of employment discrimination."

A few months earlier, in July 1988, the Women's Action Alliance in New York City had issued a report concluding that the Job Training Partnership Act was, "not effective in moving low-income women out of poverty." A key finding was that "occupational segregation is extreme, with over two-thirds of all women concentrated in only two areas, clerical and sales and service."

The report also found, "the two largest obstacles for women in JTPA are creaming, the system's preference for women who are easy and inexpensive to train and place, and the low wages of JTPA jobs which do not pay enough for many women to support their families on."

Early last year, the chairman of the Government Operations Committee, my distinguished friend and colleague, Congressman Conyers, took the initiative and requested that the General Accounting Office investigate the question of discrimination in this federally subsidized job training program. I would like publicly to express my appreciation to Chairman Conyers for taking the initiative which is resulting, among other things, in this hearing and, hopefully, in major remedial legislation.

Today we will examine the findings of the General Accounting Office [GAO] 17-month investigation, which are shocking. The GAO study looked at adult participants with a high school education. Its focus was not on who got into the JTPA program but rather what services participants received once in the program.

The GAO study reveals that women received disparate treatment in job training services in nearly two-thirds of the localities surveyed and that black males, regardless of their individual needs or job readiness, received fewer and less intensive services than white males. Specifically, white participants were more likely to receive classroom and on-the-job training, thus being taught specific occupational skills, while black participants were more likely to receive only job search assistance.

The JTPA set up a decentralized system, placing the responsibility for running the programs on State and local agencies. The intention was to permit local training agencies and providers the flexibility to respond to the needs of the local job market. The Department of Labor and its Office of Civil Rights is charged with oversight and monitoring of the JTPA program and assuring nondiscrimination in the operation of this program.

I look forward to hearing Roberts Jones, Assistant Secretary of Employment and Training at the Department of Labor, and Annabelle Lockhart, the Director of Civil Rights, explain the apparent inaction by the Labor Department, which has allowed employers and service providers to get away with discrimination against both women and blacks. In terms of monitoring and enforcing equal opportunity in the operation of the Job Training Partnership Act, it appears that the Labor Department is indeed a silent partner.

The Job Training Partnership Act was Vice President Quayle's major legislative achievement when he served in the Senate. It is ironic that, at a time when the administration opposes the civil rights bill passed by the House last month and professes a commitment to a bias-free workplace, it appears that our Nation's major employment training program is riddled with race and sex discrimination.

The GAO study concludes that the Department of Labor has not taken the action necessary to ensure that States are adequately addressing the problem. In measuring the Labor Department's performance, using words that the Vice President is familiar with, the Labor Department has doubled bogied this program.

It gives me great pleasure now to call on my good friend and colleague, the ranking Republican member of the subcommittee, Congresswoman Ros-Lehtinen.

Ms. **Ros-Lehtinen**. Thank you, Chairman Lantos. If it meets with approval, Chairman Lantos—I know that the ranking Republican's time is limited, I wanted to make sure that——

Mr. **Lantos**. Go ahead.

Ms. **Ros-Lehtinen**. OK. Then I will give my opening statement now, Chairman Lantos.

We are here today, as has been stated, to investigate allegations of discrimination within the Job Training Partnership Act. The goals of this program are certainly commendable. The program targets unskilled and economically disadvantaged individuals for job training and placement. In addition, it seeks to retrain unemployed workers who are not necessarily low income but need help in learning a new skill.

In today's rapidly changing work environment, with the computer and technological revolution, JTPA seeks to educate and train. Under JTPA, employment services are provided through on-the-job training or classroom instruction and also include job search assistance and specialized training for specific professions. Services are delivered through block grants to States via local service delivery areas.

Since its passage in 1983, JTPA has received nearly $10 billion from the Federal Government. It is difficult, however, to put a price tag on the cost of education, training, and investment in our country's future. Because of the competition from overseas markets and the creation of new, technologically advanced jobs, training, and education are our best hope for tomorrow's achievements and success in the labor market.

The Hudson Institute, an economic think tank, has predicted that there will be an increasing labor shortage beginning in the 1990's and rapidly shrinking by the year 2000. They also predict that over the next 10 years only 15 percent of the work force entrants will be native-born white males. The makeup of the labor market is becoming more diverse. With more women, more minorities, and more senior citizens being welcomed into the labor force, it is imperative that the initial purpose of JTPA, which includes training, education, and placement, is continued in some way.

Successful execution of JTPA depends upon the coordination of Federal, State, and local governments and the business community. Participants in the program deserve equal opportunity for training, placement, and overall advancement. Through communication, I am confident that these goals can be attained.

Many of us here have had the privilege of working with Secretary of Labor Lynn Martin and know that she shares the same concerns over potential racial and gender disparities that we do. Since her appointment to the Department of Labor just a few months ago, she has displayed a willingness to listen and to help those who are truly in need. We know that she will do her utmost to ensure equality for all participants in the JTPA program, as well as other education and training services provided by the Department.

I would like to extend my thanks to Chairman Conyers and Chairman Lantos for holding this hearing, and I would like to welcome the witnesses here today and look forward to hearing their ideas and recommendations for improving the JTPA.

Mr. **Lantos**. Thank you very much.

Some chairmen chair committees; other chairmen lead committees. The Government Operations Committee is indeed extremely fortunate in having one of the great leaders in Congress chairing it. I particularly want to express my personal respect and affection for my chairman, who has given such extraordinary support to this subcommittee during the long and difficult HUD hearings and who has provided the leadership on so many issues, including this one.

This hearing would not be taking place had it not been for the initiative of Chairman Conyers. It gives me a great deal of pleasure to call on him.

Mr. **Conyers**. Thank you for that very kind introduction.

This is one of our top subcommittees in Government Operations; and, Tom Lantos, I am very happy to be sitting here between you and Marty Martinez, who is on the Education and Labor Committee, because this is just the opening round of us helping improve Vice President Quayle's major legislative contribution. We hope that between him, as Ms. Ros-Lehtinen pointed out, and Lynn Martin, that we can now make the kinds of corrections that are crying out for adjustment.

I had no idea that there was in fact racial and gender discrimination in the operation of JTPA when I first called for hearings on this program. I did it because, as one of those legislators from another era that supported the Humphrey-Hawkins full employment and balanced growth legislation, I have come to the conclusion that creating full employment is one of the most important concerns that we in Congress can bring to our jobs.

With the unemployment, the dislocation of industry in the city of Detroit, the structural unemployment, the longest of any major city—and we are very pleased that we could have Robert Rogers from the Detroit regional office of GAO working on this—I was looking for ways that would bring JTPA into alignment with the unemployment realities.

Now, the fact of the matter is that this program, being funded at $4 billion, is working at only about half the speed as the old CETA program and is covering only about 5 percent of those eligible for this training and placement. So the second problem, besides the discrimination, is a lack of oversight.

We don't have any control over these programs, and it is going to be imperative that with this opening round of analysis that we begin to examine how some of the problems have become topsy-turvy, in which the employers are doing the recruiting rather than JTPA personnel, and we end up having a very limited impact on who JTPA is serving.

The other part of my opening comments, and I make these brief, because I subscribe fully to everything that you have said Mr. Chairman, is, what do we need to do to remedy problems in JTPA? I would like to just lay out four items for us to be considering as we move into the hearings.

We need an independent assessment of JTPA participants, since the service providers, the employers, are increasingly choosing the clients. We need a better software system, with computer compatibility of data, to collect information at the State and Federal levels, which can be used to assess the program. We need support service funds that should be separated from administrative costs to be able to provide assistance to many more people in need. Finally, we need an incentive package to take on high-risk training which is not now encouraged in JTPA.

Those are the four ideas that I would like to throw out here. There may be others that develop. We may want to modify some of these. But if we are to meet the economic challenges of the 21st century, as was pointed out in our colleagues' remarks about the makeup of the employment force in America, we have to begin to pull this system up very, very fast. That is why I am going to participate with you in these hearings.

I commend you for the speed and diligence with which you have moved the subcommittee forward, and I thank you very, very much for holding the hearing today.

[The prepared statement of Mr. Conyers follows:]

STATEMENT OF THE

THE HONORABLE JOHN CONYERS, JR., CHAIRMAN
COMMITTEE ON GOVERNMENT OPERATIONS
BEFORE THE SUBCOMMITTEE ON EMPLOYMENT AND HOUSING

HEARING ON

RACE AND SEX DISCRIMINATION IN THE OPERATION OF THE JOB TRAINING PARTNERSHIP ACT

JULY 17, 1991

I am deeply disturbed by the results of the General Accounting Office's investigation of the Job Training Partnership Act. The GAO has found that JTPA, the only major source of employment training for the economically disadvantaged, dislocated workers, and others who face significant employment barriers discriminates against blacks and women in the services it provides. It seems that even the Bush Administration's lip service to job training is infected with race and gender bias.

Specifically, the GAO found that in one-third of the Service Delivery Areas (SDAs), white participants were more likely to receive occupational training than black recipients; and in two-third of the SDAs men were more likely to receive on-the-job training while women were more likely to receive classroom training for mostly lower wage jobs. GAO found that the Department of Labor (DOL) and state JTPA agencies do not conduct sufficient monitoring activities to identify and address disparities; and when they are able to identify disparities, they do not take corrective actions. These disparities were attributed to the systemic problems in the way projects operate at the local level.

When I asked the GAO to look into the JTPA program, I was concerned with the role of federal efforts to train people to meet the challenges of an increasingly technological world. Over the past several decades, federally funded training and employment programs have assisted the unemployed, unskilled and poorly educated to compete in the labor force. Together with a host of other federally funded programs, job training was intended to improve the lives of the poor. I represent a district that has fallen victim to a rapidly changing economy, where new and better skills are required to replaced a once booming productive power.

Alas, the people of Detroit and their counterparts in other states will have to wait a long time before they can participate in the American dream. Federal job training programs which began in the Kennedy Administration and expanded exponentially until the Reagan years, are deteriorating. JTPA was enacted in 1982 following a protracted congressional debate, and one of its principal designers -- Vice President Dan Quayle – who during the 1988 presidential debates made this the cornerstone of his legislative career, was hailed for his legislative accomplishment. Today JTPA exists with meager appropriations and no federal, state or local leadership, which has led to inadequate monitoring, impaired overall effectiveness and now to discriminating practices against those populations who need it most!

JTPA was created to move the jobless into permanent self-sustaining employment and was designed to forge a working partnership among the three levels of government along with the private sector. While state and local governments have primary responsibility for the management and administration of job training programs under JTPA, the Department of Labor has chief responsibility in the financing, monitoring of state and local compliance with the law, the supplying of technical assistance, the assessing of the program and the ensuring of fiscal accountability.

Under the so-called "new federalism" the Bush Administration has gone way beyond its mandate by abdicating its responsibilities for the program by playing a passive, if not invisible role in its handling of the Job Training Partnership Act.

As a result, – JTPA has become an entity without leadership, where the federal partner – the Department of Labor – has not fulfilled its responsibilities to establish fundamental criteria for the program, which would prevent the existence and persistence of differential patterns of service and job placement for minority and women JTPA participants. And despite the vacuum created by its negligence, the federal role has not been filled by JTPA's remaining partners –the states and localities.

When the GAO began its examination of the services and outcomes generated for JTPA participants seventeen months ago, I knew this program had its share of problems, but I had no idea that a federally mandated program intended to benefit the poorest segments of our population, would be marred by loathsome, discrimination. But then, isn't JTPA under the same watch of an administration that doesn't see it fit to support a civil rights bill? How uncanny!

The accomplice to JTPA's unsavory bias tilt seems to be the Office of Management and Budget. GAO's original plan to survey all the Service Delivery Areas (SDAs) around the country was skirted because the states are not required to maintain detailed data on the types of services and outcomes generated by JTPA for various population groups. The lack of crucial data prevents SDAs and the Department of Labor from knowing more about their program, its effectiveness and improved performance. During JTPA's first three years of operation, OMB prevented the Labor Department -- in direct violation of the law -- from collecting information on the posttraining experiences of participants. While some improvements have been made in this area, the data is still sorely deficient. The bottom line is, DOL is unable to monitor the program for the type of disparities identified by the GAO investigation.

The appearance of institutionalized patterns of employment discrimination in a federally mandated program is bad enough; but the Labor Department's "keeper of the flame" of JTPA -- the Employment and Training Administration -- and its "cop on the beat" the Directorate of Civil Rights, have maintained passive positions in monitoring and acting to correct the inequities that exist and persist. To date, not one state, not one of the 630 SDAs have been sanctioned for breaking the law. Instead, the Bush Administration's indifference or acquiescence to discriminatory practices in JTPA, has prevented the very individuals and families who sought out JTPA, from escaping poverty.

I want to thank Chairman Lantos for holding this important hearing in such an expeditious manner. I hope when we leave this room today we will know better what the Congress needs to do to correct the problems plaguing the operations of the JTPA program. I hope we will be able to make JTPA more responsive to the people who need it most.

Mr. **Lantos**. Thank you, Chairman Conyers.

It gives me very special pleasure to introduce my good friend, the ranking Republican member of the full committee. There are few people in this body who take public service as seriously and as professionally as does Congressman Frank Horton. I have had the privilege of working with him on a wide range of issues, running all the way from helping, in our modest ways, to bring democracy to Central and Eastern Europe, where he has played a leadership role in the Congress, to many issues involving our HUD and other hearings. We are most grateful for his leadership and interest in this issue.

Congressman Horton.

Mr. **Horton**. Thank you, Tom. Thank you, Chairman Lantos. Thank you for your very kind comments.

My wife, Nancy, and I have the highest regard for you and your wife, Annette. We have been on trips together. We have worked closely together, as you have indicated, on a number of subjects and items that we are both mutually interested in. I am particularly happy that you are a member of this committee and that you have chaired this very important subcommittee.

This subcommittee is one of the very important committees, as Chairman Conyers indicated, of the Government Operations Committee. A lot of times people don't realize the importance of oversight. I have always emphasized that we really have, as Members of Congress, two missions: One is to legislate, and the other is the oversight.

This is the oversight committee, and it is in this committee—and I have been on this committee for the entire 29 years that I have been in the Congress—it is in this committee that we have gone about in doing our work in the oversight field and I think have accomplished a lot in those 29 years.

I want to say at the outset that I agree with what you had to say with regard to this problem and also with the ranking member and with the chairman of our full committee. This is a serious problem, and it is something that we ought to perform our oversight on. I am very happy that your subcommittee has begun this series of hearings which I think will be very important.

I would like to at the outset say that I am opposed to any kind of discrimination, whether it's in the workplace or wherever. As a matter of fact, when I first came to Congress, the big issue that was facing the Congress in those days was the question of civil rights and the inequities and the discriminations that were going on in America. And I was one of those who voted for the Civil Rights Act in 1963 and 1964 and then also for the Voting Rights Act of 1965, which was an important step in trying to bring about equality in this Nation.

We haven't reached it yet. I feel that it is very important that we do, in our oversight function, everything we can to make certain that there is not racial discrimination or gender discrimination. So I think this is a very important hearing, and I want to underscore what you have said. I think it is important that we look at these issues and that we do everything we can to try to make certain that there isn't discrimination in these types of programs.

I also agree that we need to do more about full employment. This morning, just this morning—I'm the dean of the New York delegation—and along with Charlie Rangel, Member of Congress from New York, we hosted a meeting of the American Federation of State, County, and Municipal Employees, principally from the State of New York. Jerry McEntee, both of you know, was there and spoke. I introduced him.

They are concerned about the problems that employees are facing in New York City, which has some tremendous problems, probably more than even Detroit has, but they are certainly similar types of problems: The problem of money, what you do about jobs, full employment, and training people who don't have a job.

And let me tell you, there are a lot of people that are being laid off, and some of them are not just the poor people, but, as Charlie Rangel said this morning, most of the poor people are the people that get hit when the jobs aren't there. They are the first people to feel the effect.

As we go about reducing—a couple of banks merge, major banks merge, and major banks merge in New York State, and that means a lot of unemployment. We are closing bases all over the country, and that is going to mean unemployment. So training, full employment, training of people so that they can get jobs, is very important, and we cannot tolerate any discrimination in those types of programs.

So I think that this is a very important hearing, and I want to certainly indicate my support for what we are going about doing here.

Now, the Job Training Partnership Act, I noted both you and Mr. Conyers gave some credit to the Vice President, and I will give him credit, too, but I also think that you ought to remember that Ted Kennedy had a hand in that, too. As a matter of fact, Ted Kennedy and the Vice President worked very closely together to put together that piece of legislation.

Mr. LANTOS. We are pleased to give credit to Senator Kennedy, as well,

Mr. HORTON. Well, I think we should. And I agree with you, whether it's Kennedy-Quayle or Quayle-Kennedy legislation, whatever it happens to be, we want to make certain that there is not discrimination with regard to race or gender in that particular program.

I want to indicate that I spoke yesterday to Lynn Martin, by telephone—she told me she was going to call you, the Secretary, and I think she was trying to reach the chairman, Mr. Conyers, also, to indicate that she wanted to fully cooperate with our hearing. She also indicated to me that she was completely supportive of our efforts to eliminate any type of discrimination in these programs. So I think that's an important supporter of what we are trying to do here in this hearing.

The GAO testimony I think raises more questions than it provides answers. They obtained data on 227 of the JTPA's, 650 service delivery areas. Racial disparities in services were found in 11 to 20 percent of the service delivery areas studies. The GAO and the committee must now work to better identify the rate of disparities and determine whether these disparities exist in the other 423 delivery areas not studied by the GAO.

In addition, while they identified several factors that contribute to these discriminations, they have been unable to conclude the actual cause for the discriminations which were found in the initial study. And that's what this is—an initial study. So I think that as we proceed through this hearing, it is going to be very important for us to get more information and make certain that we are having an impact in doing something in this particular area.

Now, I'd like to turn to another matter that doesn't have anything to do with this hearing except that it's something that I'm very much concerned about, and I'd like to call your attention and also the chairman, Mr. Conyers', attention to this. I want to take just a moment to comment on what seems to be a recurrent and increasingly frequent problem regarding Government Operations hearings.

Testimony provided to the committee prior to a hearing is not intended to be provided outside of the committee until actually presented by the witness. Unfortunately, all too often, I end up reading excerpts from the testimony in the morning newspaper before the hearing has been held or the witness has testified.

I have a "GAO Finds Job Training Discrimination" in the Washington Post. It's not a bad article; it's a well-written article, but it's in advance of the testimony, and it does quote the testimony of the General Accounting Office and also the testimony of the representative from the Labor Department. This was in spite of the fact that the GAO testimony has "For Release on Delivery Expected at 10:00 a.m. EDT, Wednesday, July 17." There is an embargo on that testimony. It ought not to be released.

I think it is important for us to make certain that this type of information is not made available to the press before we actually have the hearing. I think it is unfortunate—I know in other instances during my time on the committee people have been fired for releasing information with regard to reports going out before the actual date.

We have been very careful about that, and I think it is important for us to do everything we can to make certain that the information is not made available to the press before we actually have the hearing. As a matter of fact, we've got it all right in here, so I don't know that we need to have the testimony. We've got it right here before us.

I think it is important for us to make certain that this testimony in hearings is not released. I know we try to do that in the subcommittee I serve on, and I hope that you, Mr. Chairman, will make certain that this type of thing is stopped so we don't have it in the future.

[The prepared statement of Mr. Horton follows:]

OPENING STATEMENT
HONORABLE FRANK HORTON

OVERSIGHT HEARING ON THE JOB TRAINING PARTNERSHIP ACT
July 17, 1991

Thank you, Mr. Chairman: While I will be unable to stay for the entire hearing this morning, I wanted to take this opportunity to say that I believe this morning's hearing to be important and timely. It is important that we address the issue of disparities in the services provided by the Job Training Partnership Act (JTPA).

However, the GAO testimony raises more questions than it provides answers. GAO obtained data on 227 of JTPA's 650 service delivery areas. Racial disparities in services were found in 11 to 20 percent of the service delivery areas studied. GAO and the Committee must now work to better identify the rate of disparities and determine whether disparities exist in the other 423 delivery areas not studied by GAO.

In addition, while GAO has identified several factors that can contribute to disparities, it has been unable to conclude the actual cause for the disparities found in its initial study of JTPA.

I have personally talked with Labor Secretary Lynn Martin and know that she shares the Committee's concern with this issue. She has committed to working with the Committee and with Chairman Lantos in a cooperative effort to address disparities which may exist in JTPA.

However, I want to take just a moment to comment on what seems to be a recurrent and increasingly frequent problem regarding Government Operations' hearings. Testimony provided to the Committee prior to a hearing, is not intended to be provided outside of the committee until actually presented by the witness.

Unfortunately, all too often I end up reading excerpts from the testimony in the morning newspaper before the hearing has been held or the witness has testified. This morning I read quotes from GAO's testimony in the Washington Post. It appears that the press is given the testimony even before it is provided to Minority Members of the Committee.

If the Committee's hearings are to be fair and objective, the premature release of testimony must stop. As far as I am concerned, every premature release of witness transcripts, GAO testimony or other reports prior to the intended release, undermines the integrity and credibility of the Committee.

Mr. **Lantos**. I want to thank my friend and colleague for his very excellent comments. Let me just indicate that I agree with him on all of his points. Clearly, it is not within the power of the Chair to stop the actions of all Republican and Democratic members of the committee and all Republican and Democratic staff.

Mr. **Horton**. I understand that.

Mr. **Lantos**. There are no national security considerations involved here, but I fully agree with my friend that we should honor the embargo dates of the witnesses.

I would like to call on one of the most effective, persistent, and valuable members of this subcommittee, my good friend from California, Congressman Marty Martinez.

Mr. **Martinez**. Thank you, Mr. Chairman.

Let me start out by saying that for the last 6 years prior to this session, I was chairman of the Subcommittee on Employment Opportunities, and one of the basic responsibilities of that committee was the Job Training Partnership Act. During that time, we worked with people in the Department of Labor to try to improve the program in any way we could.

There have been, from the very outset, problems with the program. That's not to say that it isn't a good program. Basically, it's a kind of a program much like our constitution. It allows itself to evolve, if the Congress and the Department of Labor will do the things necessary to cause it to evolve to a better program. As Chairman Conyers has said, this program can, included with job creation, help solve the employment problems of the future.

As I said earlier, in the beginning, there were problems. We right away encountered that there was creaming. Much of that creaming leads to the discrimination, because you take the most job-ready people to train, knowing that with the contract compliance aspect of this that you had to place to get for the training you did. And it was easier to train people that were job ready to some extent than train the very difficult to train, those people that were long-term welfare recipients.

But a couple of years back, Kennedy introduced the JTI bill on the Senate side, and I introduced it on the House side, and although we did get it passed, and this particular bill had the mechanism by which JTPA could have targeted those very difficult to train people in many cases, those people of minority groups who would have helped eliminate the discrimination problem that exists here.

But the minority side offered a trigger mechanism, 125 percent of last year's funding, which realistically, with today's problem, with the deficit, we are not going to reach that 125 percent, so the JTI would never be funded, which made it actually a moot bill. But that's something that I hope maybe we can work on in the future.

Mr. Chairman, the General Accounting Office findings on widespread discrimination and underservice in Job Training Partnership Act programs only reaffirms what they, the Department of Labor's inspector general, and the National Council on Employment Policy have been saying for several years; namely, that those who need training the most are receiving it the least.

According to a recent National Council on Employment Policy report, Hispanics represent 13 percent of the JTPA eligible population, while they are only 10 percent of the program's participants. In a similar report, the National Council on LaRaza found that unemployed Hispanic males are underrepresented in JTPA by nearly 27 percent. Hispanics stay in JTPA programs a shorter period of time, indicating that Hispanics receive less intensive job training services, and 25 percent of those Hispanics who receive JTPA training cannot find employment after completion of the program.

The GAO will testify today that they have found a variety of reasons why this kind of discrimination and underservice exist in JTPA, but what is common to all these types of discrimination and underservice is accountability, or rather the lack thereof. Let me say it again: This is really all about accountability.

For instance, when a large number of service providers use performance-based contracts to make more money for themselves, the Department of Labor had no way of doing anything about it. Likewise, when no one monitored service provider assessments of JTPA participants, minorities and women were steered toward low-income occupational training. Indeed, in many cases, nontraditional occupational skills were never even available to these participants in the first place.

Earlier this year, I introduced legislation that would require more accountability in JTPA and remove many of the obstacles that stand in the way of participation by minorities and women. That bill is H.R. 740, the JTPA Amendments of 1991, and they would better serve the communities by targeting the least job ready for job training. They would eliminate performance-based contracting. It would require guidelines for independent skills assessments of participants. It would encourage service providers to offer nontraditional occupational skills and training. And it would develop child care and other support services that enable single parents to obtain training services.

But beyond my bill, I am still disturbed by the GAO revelations that blatant discrimination has occurred with the acquiescence of some SDA staff. I find it equally disturbing that the Department of Labor's Directorate on Civil Rights is woefully unprepared to weed out that discrimination.

In closing, Mr. Chairman, I want to thank Chairman Conyers and yourself for asking the GAO to perform these crucial studies on discrimination in JTPA and for holding these hearings.

One last word I would say, regarding my bill, is that as of more recent days I have not heard whether or not they will move this bill, but I have heard that Chairman Ford and Chairman Perkins are moving to draft a bill of their own. I would say that if they do draft a bill of their own, one of the most inherent parts of that bill should take into concern the accountability aspects of the bill that I introduced, because without it we are not going to eliminate discrimination against women and minorities, without it we are not going to move JTPA toward that primary goal it had in the beginning, to serve the most needy.

Thank you, Mr. Chairman.

Mr. LANTOS. Thank you very much, Congressman Martinez. We are delighted to have your experience and expertise on this subject to participate at this hearing with your knowledge.

One of the new Members of Congress, who has already made a significant contribution both to the work of this subcommittee and to the work of the Congress as a whole, is my friend from Connecticut. I am very pleased to call on Congresswoman DeLauro.

Ms. DELAURO. Thank you very, very much, Mr. Chairman. I want to thank both you and Chairman Conyers for holding this hearing on the discrimination in the administration of the Job Training Partnership Act.

The purpose of JTPA was to provide job training to unskilled and economically disadvantaged individuals who need training in order to obtain employment. Not only do we have a system which appears to discriminate against women and minorities, but we have a job training apparatus in this country that is woefully inadequate.

As Robert Kuttner, a noted economist points out so poignantly in his book, the End of Laissez-Faire, emphasis in the United States falls on caring for workers once they are unemployed, and we are not doing a very good job at that, rather than in training them for an increasingly competitive job market. That is not the case in other developed countries.

Let me just quote Kuttner:

> West Germany has a system of nearly universal apprenticeship training for students who do not go on to university. The apprenticeship, subsidized by industry, labor, and government, is conducted partly in the classroom and partly in the shop. It produces a high quality work force and a nationally recognized system of certification.
>
> Sweden's active labor market policy uses periodic retraining sabbaticals as a way of soaking up excess labor during periods of high employment and continuously upgrading the caliber of the work force at the same time. In France, companies are required either to spend a specified fraction of their gross earnings on worker training or to pay a tax into a common training fund.
>
> There is no simple template which fits all countries, but each of these industrialized nations has devised an efficient labor training system consistent with its society and polity. The United States, in contrast, has some minimal, patchwork job training programs, but it spends roughly 80 percent of its total labor market outlays on one big program, unemployment insurance, paying people not to work.
>
> Our reliance on unemployment insurance as society's principal labor market subsidy reinforces the economies systematic tendency to under invest in its human capital.

I think Kuttner has put his finger on something here. While it is obvious from today's information and what is about to be presented today that our job training apparatus has apparently discriminated against women and minorities, the greater tragedy is that we have a training system that discriminates against workers as a whole.

Mr. Chairman, I believe that we are guilty of underinvestment in adequate job training in our country. We spend millions of dollars paying people without jobs, and we invest very little of our national resources in preparing a trained work force. I look forward to today's testimony and working together to see what we can do about job training in this country, Mr. Chairman.

Mr. LANTOS. Thank you very much. As a professional economist, I couldn't agree more about your point on underinvestment.

As the distinguished mayor of Cincinnati, my friend and colleague from Ohio has had a great deal of personal experience with this program. I want to recognize his very significant contributions to the work of this subcommittee and to the Congress in the few months he has been with us. It gives me pleasure to call on my colleague Congressman Luken.

Mr. **Luken**. Thank you, Mr. Chairman.

Let me just state the obvious: It has been a real treat, in those first 6 months, to serve on this subcommittee. You always focus on the most important issues and do it, I think, in a careful and precise way, and I have very much appreciated that.

As you indicated, during my years as the mayor, every year we would have an awards banquet. JTPA would get together and we would all pat ourselves on the back for the wonderful work that we had done. Sometimes I don't think we gave a very careful or sharp analysis to the work we had done. We talked about statistics. And, as we have all seen, you can do many, many things with statistics.

Today, I think we are going to give a sharper eye to those statistics to see whether or not a government program is in fact contributing to discrimination in the workplace. Not only shouldn't the government be contributing to discrimination, obviously, the government should be a leader in setting an example in the elimination of discrimination in the workplace.

So, Mr. Chairman, I hope that this hearing will continue the process of refining, making better, the JTPA, and ensuring that workplaces throughout the United States are free of discrimination. I congratulate you on holding this hearing and state it is nice to see the full committee chairman with us this morning.

Thank you very much.

Mr. **Lantos**. Thank you very much.

Before calling the first panel, I would like to express my appreciation to the full committee staff on both the minority and the majority sides for making a significant to bringing this hearing about. I particularly want to express my appreciation to Randy Katsoyannis of the full committee staff who worked so hard on this issue.

On the subcommittee staff, I want to express my appreciation to minority staff, which has been so helpful, and to Dr. Lisa Phillips, Andrea Nelson, and our chief of staff, Stu Weisberg, for their usual meticulous and serious preparation.

I would now like to call the first panel of witnesses: Mr. Lawrence H. Thompson, Assistant Comptroller General, Human Resources Division, General Accounting Office. He is accompanied, I understand, by Mr. Franklin Frazier of the Human Resources Division, and Mr. Robert Rogers of the Detroit regional office.

If you will raise your right hands, gentlemen.

[Witnesses sworn.]

Mr. **Lantos**. Please be seated.

Mr. Thompson and gentlemen, we are very pleased to have you. Your prepared testimony will be entered in the record, without objection, in its entirety. We would be most grateful if you could summarize your prepared statements so we can get to the questions. We have a lot of members, including the ranking member of the full committee and the chairman of the full committee, who have many other responsibilities. I want to give them the opportunity to begin the questioning.

So we are pleased to have you, sir, and you may proceed in your own way.

STATEMENT OF LAWRENCE H. THOMPSON, ASSISTANT COMPTROLLER GENERAL, HUMAN RESOURCES DIVISION, GENERAL ACCOUNTING OFFICE, ACCOMPANIED BY FRANKLIN FRAZIER, AND ROBERT ROGERS, DETROIT NATIONAL OFFICE

Mr. THOMPSON. Thank you, Mr. Chairman. I am pleased to be here and share with you information about the current status of this job.

JTPA has generally compiled a good record of providing cost effective training and placing the trainees in jobs, and it serves a large number of minorities; in fact, proportionately more blacks, I think, than the population as a whole. But several recent studies have suggested that women and minorities may not be getting the same quality of training as similarly situated white males, as has been noted in the opening statements.

The kinds of problems suggested by these studies aren't obvious in the national data. For instance, in program year 1989, the national data shows that across the country 37 percent of the minorities and 34 percent of the whites got classroom training. That was in program year 1989. In addition, the national data categorizes training by broad strategy and does not get into detail on specific occupations for which people are trained.

So the problems highlighted in some of the work done by the Chicago Urban League and the Women's Action Alliance, and even our own work, are not evident unless you gather information, detailed information, from specific service delivery area sites.

That is what we set out to do, to look at individual service delivery areas to see if the allocations of people among the various modes of training seemed to mirror the allocation of those people in the population being served and to look at the actual occupations for which people are being trained.

It is very difficult to get the data needed to do this kind of analysis, and it has taken longer than we would like for us to be able to complete it. What we will tell you this morning is what we have found, and, unfortunately, there is some data that is missing that will take us another month or two to be able to put together before we are able to prepare our final report.

But we did assemble SDA-level data on the allocation by training mode; that is to say classroom training, on-the-job training, or job search assistance only, from all the service delivery areas that could provide the data broken down by race and gender. That turns out to be only one-third of the SDA's who even had the data readily available.

So our analysis, as has been pointed out, uses data from 227, or about one-third, of the SDA's in the country. But the first point I want to leave you with is that that means that there are two-thirds of the SDA's who are not keeping their data in such a way that someone can even analyze whether blacks and other minorities are being channeled into the training modes more or less proportionate to their numbers being served.

Now, we focused only on the training of people who have received a high school education. We wanted to, in a rough way, normalize for the fact that different people bring different backgrounds to the training. So we focused only on the group that has a high school education. We focused only on the SDA's that had enough people in each category to allow for a meaningful comparison and then we compared the allocation among these broad training strategies of whites and blacks and also by gender.

You will see the results on page 5 of my prepared statement. Those of you who follow the normal procedures used in antidiscrimination analysis will be acquainted with the 80-percent rule. We used that rule and found that 40 percent of the SDA's that we could analyze had disparities favoring whites in classroom training. Using that rule, 37 percent had disparities favoring whites in on-the-job training.

And in job search assistance only, which is the category that tends to have the least favorable outcomes, 33 percent of the SDA's who had disparities, and, of course, in this case, the disparity was that more blacks were getting job search assistance only than were whites.

We also present data showing smaller proportions—using tests of statistical significance, so that we actually have, at the 95-percent confidence level, statistically significant differences, and we show those numbers.

Just to give a sense for what we are talking about, on the 33 percent of those SDA's that failed the 80-percent test for job search assistance only, the average differential was 14 percentage points. That is to say, you would find that 13 percent of the whites were given only job search assistance, whereas 27 percent of the blacks were given only job search assistance. That was the average differential. Among those SDA's, the differential was as high as 41 percentage points between the blacks and the whites.

Now, actually, we have collected——

Mr. LANTOS. Did you have any figures on Hispanics, may I ask?

Mr. THOMPSON. We do not have figures at this level on Hispanics.

Mr. LANTOS. It would be very helpful if, in your final report, you could provide us with that on Hispanics.

Mr. THOMPSON. On the next part, we will be able to give some information on Hispanics.

Mr. LANTOS. Fine.

Mr. THOMPSON. It turns out, the two-thirds of the SDA's that couldn't supply this kind of information, include California and New York. The places where a lot of Hispanics were, they are not keeping the data in a way that we can do this sort of analysis.

Mr. HORTON. Mr. Chairman, could I just ask——

Mr. LANTOS. Please.

Mr. HORTON. I don't understand why you can't get the information. Is this a problem that should be addressed? I mean, if you are not getting the information, well then nobody else can get the information.

Mr. THOMPSON. I think that's correct. The chairman of the full committee alluded to this, that the information is not being maintained in a way in which it can readily be assessed and assembled.

Mr. HORTON. Well, do you have any recommendations with regard to how that should be maintained and how it should be made available?

Mr. THOMPSON. Yes. As we complete our study, we will be——

Mr. HORTON. In other words, you haven't come to any conclusions in that respect yet?

Mr. THOMPSON. Well, we haven't made a recommendation on how to fix it, but we have reached the conclusion that you cannot expect people to be doing these kinds of analyses and looking at these kinds of problems if the data is not being maintained in a way that allows you to do it.

Mr. HORTON. I think that's a major problem, and I hope that you will address that.

Mr. THOMPSON. I agree.

Mr. HORTON. Yes.

Mr. THOMPSON. Mr. Chairman, to go on, we then went to 21 actual service delivery areas—now, these are not necessarily in the same States as the information I have been talking about before. In fact, in this case, we did go to SDA's in areas where there are a lot of Hispanics and other minorities. At those 21 service delivery areas, we collected data on every individual that was served. We were able to get those data.

They are not summarized in a way that can be easily used, but they are available, and we collected those. We are now in the process of analyzing those data. That is difficult because each one of those 21 keeps their data in a different way. We have to manipulate it one way for one and then try to get the second one manipulated so that they can be compared.

Mr. LANTOS. If I may stop you for a second. Congresswoman Ros-Lehtinen has a question on just this point.

Ms. ROS-LEHTINEN. Thank you, Mr. Chairman.

I wanted to get an idea about this service delivery area that we are talking about and the data that you are getting from these SDA's. Is there a set number of clients or participants who need to make up a certain SDA for you to designate it as a service delivery area? What is the criteria to designate a certain center or certain geographical area as an SDA? Are there many SDA's in one city? Is there a certain SDA in a geographical area, or is it tied to the number of participants in the program?

Mr. THOMPSON. The Governor designates SDA's, and they tend to cover a metropolitan area. I'm going to let Mr. Frazier give you that information.

Ms. ROS-LEHTINEN. It's based on population count or need? Do certain States have more than others? And if you have more, do you get more Federal funds? How is an SDA designated?

Mr. FRAZIER. How is an SDA designated? Each State has a council that works with the Governor, and they recommend to the Governor the number of SDA's or how an SDA should be formed. It could be a county; it could be a metropolitan area. In some cases, it is the whole State. So there is no specific size. The council works with the Governor to determine how many a State will have.

Ms. ROS-LEHTINEN. See, the reason that I'm asking is because we say that only one-third of SDA's keep enough data for you to extrapolate all of these conclusions about who is being served or not. Two-thirds of the SDA's do not keep such data, and it's difficult to really conclude whether you are talking about a—whether this one-third, since they could be different masses of people, different populations, perhaps even an entire State be designated as one SDA, to conclude that only one-third has the sufficient data.

It's difficult to know whether one-third is the same amount of SDA's, in terms of population, clients that you serve, as the two-thirds. I mean, it could very well be that even though only one-third gives you the information, they are in fact a majority in terms of population. I just don't understand whether the entire State of Missouri is one SDA and in California you may have 50 SDA's. How is that related to population?

I just find it difficult to make any conclusions from this data unless I know that one SDA is the same as another SDA, in terms of people served.

Mr. **Thompson**. One SDA is not the same as another SDA, and I think that's an important thing to understand. In fact, if I could back up, one of the studies which was done by the Chicago Urban League a couple of years ago, which was alluded to in the opening statement of the chairman, that study looked at what was going on in the Chicago metropolitan area. And there you had one service delivery area in the city of Chicago and another one in the northern suburbs, and I think you had another one in the western suburbs.

They found that the services being offered by the different SDA's were different and that one of the problems that the blacks living in the city had to deal with was that their service delivery area was offering a package which didn't have some of the features being offered in some of the other service delivery areas.

Some of these differences that you can see, even from this urban league study, relate to the fact that different SDA's offer different types of training. That's probably a problem, but that's not the problem we're talking about today. What we're talking about today is that within a given SDA the package of services they offer is not being offered proportionately.

Ms. **Ros-Lehtinen**. No, I agree, but I caution the committee members to draw conclusions when it is very clear that one SDA is not the same as another SDA. A certain population count may be quite different.

To say that based on one-third of the data—we have no idea whether we're talking about 200 people out of 300,000, or I mean—it's very difficult to compare one SDA with the other unless you give me something that will make me more comfortable and give me more confidence in that when you conclude that 80 percent of the SDA's do this and 20 percent do the other, is this really indicative of a nationwide problem?

Because, obviously, to say that this data is based on one-third of the SDA's, yet there are different population counts, it really is difficult to make conclusions. So address that part.

I understand about the basic problem being the delivery, what kind of training is being given, who is getting the job search assistance, who is really getting the true help, I understand the merits, but I'm saying the data collection, I'm at a loss as to what conclusions we can draw from it, since we don't really know—if we know that one SDA is not the same as the other. How can that comparison really be made?

Mr. **Lantos**. My colleague I think raises a very valid point, but I wonder if I might ask you a couple of questions to clarify this issue.

Would you have with you the list of the 16 States?

Mr. **Thompson**. I think so. While he's looking, let me say that the SDA's that are included in our sample, cover one-third of the participants. They are about one-third of the SDA's, and they cover one-third of the participants.

Mr. **Lantos**. It seems to me both Congressman Horton and my good friend Congresswoman Ros-Lehtinen raise some very valid points. Part of the remedial legislation will have to be addressing the question of recordkeeping so we have data that is significant, like figures for Hispanics. Second, I think we will need to see whether there is any benefit or disadvantage to the fairly arbitrary designation of SDA's from State to State, whether this has any bearing on the funds received by the various States.

But I would like to hear the list of States, if you have it.

Mr. **Martinez**. Mr. Chairman.

Mr. **Lantos**. Congressman Martinez.

Mr. **Martinez**. Maybe, to understand how the SDA is designated and how it operates, an SDA within a State has to have at least a minimum population of 200,000 to even apply to the State council to become a designated SDA. If they do meet with the approval of the State council, under the direction of the Governor, then they develop a PIC, a private industry council within that SDA.

Those are the people that decide—and these people are made up from industry people. There is a composition of the PIC that is required by law. Basically, it always started out as a partnership between government, education, and private industry.

That is the makeup of the PIC, the reason being is that these people would be able in an area, in a geographic region, to determine what kinds of jobs were available and what kinds of occupations needed training, and then direct the actual contractors with the SDA who actually do the training to the kind of training that was required and the kinds of people they would train.

From the beginning, there has never been any requirement that they keep the kind of data that they would need to make this analysis, but that data is available. I would suggest that, with regard to Hispanics, that the National Council of LaRaza has done that study and got the data from the places they needed to.

Now, naturally, when you go in to examine the situation, you wouldn't be looking for minority underrepresentation or discrimination in an area that had no minorities. There are some States that are so small that they only have one SDA—you're absolutely right—because of the population and the clientele they would serve. But in other States, like California, that has been used, or New York, or Chicago, there are several SDA's.

And that's dependent on, too—you can look into those geographic regions where these things might occur without necessarily going to the other SDA's. It is not necessarily relevant what kind of services the others provide. What you are looking for is where those minority populations, those hard to serve populations are, generally in urban areas.

That's what, I think, the GAO did in determining which ones they should look at, and I think that's the thing that we should keep in mind. The judgment was never made on those that they didn't study or those that don't have the potential for this kind of discrimination. You go to Delaware, let's say, a small State like Delaware, I think they are only one SDA. And in that State you probably wouldn't find the kind of information you need to determine if this is occurring or not.

Mr. LANTOS. I appreciate your comments.

Mr. HORTON. Mr. Chairman, that was very informative. That reminds me of another question that might be helpful here.

Did you select the 227, is it, SDA's and just arbitrarily leave out the other——

Mr. THOMPSON. No.

Mr. HORTON. Or is it a case of you're going to actually look at the other two-thirds at a later date?

Mr. THOMPSON. No, we went to all 50 States, and we said, "Do you collect and maintain at the State level data which allows this kind of comparison? Do you have data which allows us to compare, at the SDA level, how people from different ethnic groups are allocated among training modes? Do you have that kind of data?" Sixteen States did; the rest did not.

So for the first level of the analysis, we used the States that had the data. I'm saying that's——

Mr. HORTON. Are you telling me New York doesn't have that data?

Mr. THOMPSON. New York does not have it collected at the State level.

Mr. HORTON. At the State level.

Mr. THOMPSON. There are really two parts to our analysis here. The first part is these 227 SDA's in the 16 States. And I've got a map here. I'll be happy to read that into the record, which will demonstrate whether or not I remember all my geography.

Now, the 21 SDA's that we got individual participant level data from, I also can tell you where those are. We did go to New York for that exercise. So I'm not saying that SDA's don't have data. When we went to these 21 SDA's, we were able to get the case record for each participant, and we could then use that information to see what kind of training each participant got and to make the kind of comparisons, what occupations they were trained for, what their placement wages were, and all that. That data is there.

But if you want to ask, at a more general level, just in general, "Can you tell us, in the State of New York, for your SDA's, how people are allocated by gender or by ethnic background?" They can't answer that. They don't maintain the data in a way that allows them to answer that question.

Mr. HORTON. Well, I want to agree with Mr. Martinez. I think it is important that you include Hispanics. Were your directives to just look at the blacks and women?

Mr. THOMPSON. No, we have looked at Hispanics also.

Mr. HORTON. You have not or you have?

Mr. THOMPSON. We have. It turns out that of the States we were able to get data, we weren't able to get enough data on Hispanics to say a whole lot. We have some information which we can supply. I think there were only 60 SDA's that we could analyze on Hispanics. My recollection is that we found disparities. They weren't quite as dramatic as they were with the blacks.

Mr. **Lantos**. Congresswoman Ros-Lehtinen.

Ms. **Ros-Lehtinen**. Thank you, Mr. Chairman.

For your final report, if we could ask that, when you talk about the SDA's that did respond and you say one-third did respond, if we could also put it in terms of population. And these one-third of the SDA's served——

Mr. **Thompson**. They serve one-third of the people.

Ms. **Ros-Lehtinen**. They serve one-third of the people.

Mr. **Thompson**. It turns out they did serve one-third.

Ms. **Ros-Lehtinen**. They did?

Mr. **Thompson**. Yes.

Ms. **Ros-Lehtinen**. One-third of the SDA's are serving one-third of the population.

Mr. **Thompson**. It happens the one-third we got also serves one-third of the population, yes. It doesn't have to be that way, but that's the way it turned out.

Ms. **Ros-Lehtinen**. And the two-thirds that did not respond, it does correspond that they are two-thirds of the JTPA population of the SDA's?

Mr. **Thompson**. That's right.

Ms. **Ros-Lehtinen**. Thank you.

Mr. **Lantos**. I want to call on my colleague, Congresswoman DeLauro.

Ms. **DeLauro**. I'm still unclear, Mr. Chairman, about what must be characteristics of an SDA that allow it to be designated as such, whether certain level of its income, if it's a percentage of population. I mean, these funds are for economically disadvantaged individuals. I mean, one would not have Greenwich, CT, or most of Greenwich, CT, as an SDA. It couldn't be so designation, or could it be so designated?

I am really unclear as to what are the set of characteristics that define an SDA so that you then have some criteria with which to then develop some monitoring and assessment measures to do an evaluation.

Mr. **Lantos**. Mr. Thompson, I want to commend you for having stimulated all this dialog among members of the committee, because I have rarely seen such an involvement. And I want to commend all of my colleagues. When you finish, we will begin the formal questioning with Chairman Conyers. [Laughter.]

Mr. **Conyers**. If there are any questions left by that time. [Laughter.]

Mr. **Lantos**. That's true. Go ahead.

Mr. **Thompson**. Every part of a State is in an SDA. So the whole geography of the United States is divided up into SDA's.

Now, you are correct that the program is aimed at disadvantaged people, so there wouldn't be a whole lot of business coming out of some of the wealthier Connecticut suburbs. But, nonetheless, even wealthy suburbs would have a few disadvantaged people, and if they needed job training services, there would be an SDA that was responsible for serving them.

Mr. **Horton**. One other question, Mr. Chairman.

Mr. **Lantos**. Please.

Mr. **Horton**. Who controls the SDA? In other words, this job training program we are talking about, that's a program, federally funded, and ostensibly run by the Labor Department. But that's under the auspices of the State; is that what you're telling us?

Mr. **Thompson**. Yes. The Governors play the major role here. They have, as Mr. Frazier was saying, they have an advisory group to them that advises them on how to organize them. Then the SDA's are managed by PIC's.

Mr. **Frazier**. Private industry councils.

Mr. **Thompson**. Private industry councils. And the PIC's are composed of representatives from different segments of the local community. I believe, by law, at least half of them must be businessmen.

What happens is, to get the thing started, the local communities, businessmen, labor unions, or community action agencies are surveyed. They nominate people to the Governor's office. The Governor actually appoints the members of the PIC.

Mr. **Horton**. Well, I guess my real question is, what kind of information from that setup can you use accurately to determine that there is discrimination in this Federal program? I mean, we are very concerned about the allegation that there is discrimination, and I'm sure there is to some extent. We want to eliminate that as much as we possibly can.

And I think probably the reason the questions are being asked is that we are not sure that you have enough information that you can identify instances of discrimination. Now, you have left out an entire group of people in which there is certainly some discrimination. I mean, I have a large—in Rochester, NY, which is in my district, I have a lot of Hispanics.

When I first started in the Congress 29 years ago there were just a handful, but today there are probably 40,000 or 50,000, minimum, and they are interested in these programs. The question is, how can you determine that that program, which is just part of an overall SDA run by the State, that there is discrimination? I think, if you can answer that, then that will help us understand what it is that you are presenting to us.

Mr. **Thompson**. Well, the first thing I want you to be aware of and to retain is that nobody is maintaining data in a way that allows us to easily ascertain whether there are disparities in treatments in Rochester, NY. And I think that that's something that you people should be concerned about—we're concerned about it.

Mr. **Horton**. You mean that the overall program needs to be——

Mr. **Thompson**. Needs to have some data collection requirements which allow people to assess what's going on in terms of these disparities by race and gender.

Now, there is data. There is a private industry council. There is a staff. This is not just run part time by some businessmen. There is a board of directors, if you will, but there is also a permanent staff that manages the operation, and they maintain information on who is being trained and what the outcomes are.

Our experience is, if you go into the individual service delivery area, they have the data. You can get the data. It's just that it's not easy to get the data. They don't maintain it in Rochester necessarily the same way they maintain it in Buffalo. So somebody in

Albany can't take Rochester and add it to Buffalo and say, "Here's what it looks like."

Mr. **Horton**. Well, Mr. Rogers is from the Detroit area, as I understand.

Mr. **Thompson**. That's right.

Mr. **Horton**. Now, have you looked at this, Mr. Rogers. Can you help us so we understand a little bit better about this problem?

Mr. **Rogers**. I think the problem, in a sense, is that each SDA maintains its individual records on the participants in that particular program, but they do not compile that information at the State level in a way that you could analyze readily all of the SDA's in the country—there are about 630 SDA's in the country. To analyze them all readily, you would need to have an aggregated form of information.

Mr. **Horton**. Did you help in this study?

Mr. **Rogers**. Yes, I did.

Mr. **Horton**. Did you look at the Detroit area, the SDA's in that area?

Mr. **Rogers**. We looked at a few SDA's in that area specifically, but Michigan is one of those States that cannot compile the information for all of the SDA's in Michigan that would be analyzable for our purposes.

Mr. **Horton**. So you found difficulty in getting information then?

Mr. **Rogers**. Yes, we did. In fact, our analysis is limited to the 16——

Mr. **Horton**. Well, there may be widespread discrimination, but you are not able to determine that; is that what you're telling us?

Mr. **Rogers**. We're not saying there are no disparities in the States that we did not look at. What we are referring to are disparities in the 16 States that we did look at.

Mr. **Martinez**. Mr. Chairman.

Mr. **Lantos**. I will certainly accommodate all of my colleagues. I have requests for two interventions, after which, even though he hasn't yet asked, I am going to call on Congressman Conyers to raise whatever issues he wants at this point.

Congresswoman Ros-Lehtinen.

Ms. **Ros-Lehtinen**. Thank you, Chairman Lantos.

Of the one-third of the SDA's, which is the amount of SDA's which responded, and this data is based on their response, what percentage of the overall blacks served by SDA's nationwide are located in these one-third of the SDA's which responded? And also, of particular interest to me, what percentage of the Hispanics, if they were—if you had data of three-thirds, 100 percent of the SDA's had responded, how many of those Hispanics are located in the one-third of the SDA's of which this data is before us?

Mr. **Thompson**. Can we answer that?

Mr. **Rogers**. We can answer it for the record.

Mr. **Thompson**. He is going to look and see if——

Ms. **Ros-Lehtinen**. Meaning, if we're going to conclude that blacks have not received the same level of training, how accurate is that conclusion if we're not quite sure that 80 percent of the blacks serviced nationwide are in fact in these SDA's, or we find out that in fact 20 percent of blacks nationwide are include in this one-third of the SDA's whose numbers are before us?

And, as I say, of particular interest certainly in my State of Florida, if it does seem that the major bulk of the Hispanics are located in those areas which do not keep accurate records that make you accurate in the sense that you can't get certain data from it—I don't mean that they are inaccurate; I just mean that they get their data and put it in certain other forms—what if the Hispanics are located—the bulk of the Hispanics are located in the two-thirds of the SDA's in which you don't have that data, is it really accurate to make certain conclusions on discrimination based on data which may not be reflective of the actual ethnic and racial populations?

Mr. THOMPSON. Well, on the one-third that we have data for, what we are saying is that it looks like there is a statistically significant disparity; for instance, in the allocation between blacks and whites to job search assistance, in 18 percent. That means that in 82 percent there is not a statistically significant variation.

The picture I am trying to paint here is one in which there are individual SDA's where it looks like things are going on that we don't want to have going on. That's not to say that it's happening in every SDA across the country.

Ms. ROS-LEHTINEN. No, but what I'm—no matter what it says, if it says that they are functioning great—I'm not trying to excuse them, what I'm saying is that I don't feel comfortable reaching conclusions about blacks and Hispanics or women if I don't know that—if the data is on one-third of the SDA's, yet we find out that 80 percent of the Hispanic population serviced by SDA's is actually in the two-thirds of the SDA's for which you don't have data.

I just don't feel comfortable—and I'll talk about my own ethnic group, about Hispanics—I just don't feel comfortable about reaching conclusions unless I know that the bulk of Hispanics are actually in the one-third of the SDA's for which you do have data. No matter what it says, whether it says that they are doing a great job, or whether they say that there is discrimination.

I don't care—I'm concerned that the conclusion will be that they are discriminating against Hispanics. That affects me, for the bulk of my district is made up of Hispanics, even though they are not the registered voters, but the population. So I'm very concerned, but I just don't want to reach the wrong conclusion on data that may not support that.

Mr. LANTOS. Congressman Conyers.

Mr. CONYERS. Mr. Chairman, I think you are to be congratulated, because this may be a new form of hearing in which we question first and then get the statements later, or maybe never at all. [Laughter.]

At least we are certain they will be introduced into the record.

I would just like to help allay the gentlewoman from Florida's concern about any misrepresentation, because the witnesses have clearly reiterated that they don't have any Hispanic data merely because that which was available did not include any. So they have tried to not reach any conclusions in that regard.

I would urge that she rest assured that, to the extent that this can be brought forward—and I think Frank Horton has made it very clear that this is a part of the problem. The oversight and control and regulation is so fragmented that you cannot draw a national picture, and you have to come forward with this kind of a fragmented report. It isn't that that's the GAO's style, it is that they are reporting on what they've got.

What they've got shows that there is discrimination. It does not pretend to make any comments about the other two-thirds of the organizations that are not in any condition to give them the facts on which they can base conclusions. So I think this area has been gone over quite well and quite thoroughly, and I compliment the GAO representatives for making this clear to us.

The question that I want to raise is, where does the Directorate of Civil Rights in the Department of Labor come in. They haven't been mentioned at all in this. You could get the impression that this is just between the JTPA's and the local operations. But what is the role of the Directorate of Civil Rights in this, and how might they be more helpful in our getting the oversight, the organization, and correcting of the kinds of problems that you have found out about?

Mr. THOMPSON. Do you want me to jump to that now, Mr. Chairman?

Mr. LANTOS. Yes. I would suggest you try to tailor your comments to no more than about 2½ minutes, because we have a vote, and then we will return to resume.

Mr. THOMPSON. All right.

Mr. LANTOS. So we will give you 2½ uninterrupted minutes.

Mr. THOMPSON. Well, when we looked at the 21 particular SDA's, the indications were that, when black men did receive classroom training, they were getting trained for occupations that had lower placement wages. This is the data we are now trying to develop in the one SDA that we fully analyzed.

For instance, 55 percent of the white men received training for electronics at $7.50 an hour average wage. Only 26 percent of the black men in classroom training were in electronics training. In contrast, the black men were in training for health and food services, which averaged less than $6 an hour. So that is underneath the data, the aggregate data.

We did talk to officials at 11 different JTPA sites, and we held focus groups with officials and recipients, and so forth, at six different areas around the country. Based on that, we found the factors that contributed to the disparities included self-selection, limited training and job options, limits on support services, and instances where employers, especially those who operated on-the-job training programs, were suspected of discriminating. I can elaborate on those if you are interested.

Federal and State monitoring activities are simply inadequate to identify and address these kinds of disparities. Labor's Directorate of Civil Rights has analyzed a limited number SDA's and identified some disparities, but their final reports have not been completed for most of those. As we have been commenting, the data simply are not available to do a lot of these analyses.

The Directorate has made monitoring visits to 26 State agencies and one SDA in each State since 1987; however, they have issued formal reports to date on only seven of those States. Five it concluded were in compliance. In the other two, disparities of the type that we have been talking about were identified. They sent letters requesting explanations, and both cases are still pending. An average of 24 months elapsed from the time of the visit until a letter was issued in each of those seven cases.

As we understand it, preliminary reviews of the data for the other 19 States indicate 4 had insufficient data to analyze the disparities—the kind of problem we've been talking about—but the other 15 also had disparities. The Directorate has sent interim letters of findings to—my prepared statement says three, but I learned last night it was four of these States—however, it has not issued any report or letters in the other 11.

In closing, let me just comment again on the data limitations. Only 16 States could provide us with the data we needed, and I think the Directorate of Civil Rights has the same problem: They can't get the data to do their job as effectively and easily as they ought to be able to.

Mr. LANTOS. Mr. Thompson, we appreciate it. This subcommittee will be in recess for 5 minutes.

[Recess taken.]

Mr. LANTOS. The subcommittee will resume.

You may proceed and hopefully finish.

Mr. THOMPSON. Mr. Chairman, I did zip quickly to the end of the statement. I would be happy to expand, if you would like, on what we found in our discussions were the contributing causes. Alternatively, I also have outstanding your request for the 16 States.

Mr. LANTOS. Without asking you to read them, do they represent a fairly good cross section of the country?

Mr. THOMPSON. I think so.

Mr. LANTOS. It looks pretty representative.

Mr. THOMPSON. We will submit it for the record.

Mr. LANTOS. Yes. We appreciate it.

Mr. THOMPSON. What I did say briefly was that, in our discussions with the officials at these various SDA's, we found that the contributing causes included self-selection. Many participants do self-select the occupation or training from the service provider.

Now, while the self-selection can have a positive influence on participant commitment, participants often choose training in stereotypical occupations. Some SDA staff counsel participants about other career options and try to encourage them to nontraditional occupations; others seem not to try very hard.

A second contributing cause, we felt, was the operation of the performance-based contracts, which are used by most SDA's, but which have inherent financial incentives that encourage service providers to steer participants into only the training options they provide rather than referring them to other training opportunities.

The officials we talked to estimated that between 80 and 90 percent of those participants who were recruited by a service provider receive training from that provider. Many of the service providers provide training in low-wage occupations and they actively recruit minorities and women; hence, the minorities and the women are being trained for the low-wage occupations. It is the combination of a lack of an independent assessment process and these incentives in the performance-based contracts which seems to contribute to some of the disparities that we found both nationally and in the individual ones that we visited.

A third item has to do with support services, especially child care and transportation and, to a lesser degree, general living expenses. The feeling was that the limited availability of these support services restricted options among some participants and also contributed to the disparities. For example, some service providers told us that they are reluctant to enroll women who lack adequate provision for child care. They are concerned that the women won't finish the program, which would jeopardize their measured success rate and therefore the amount of payment they get under their performance-based contract.

Lack of transportation is another factor. Those people who have cars or who have adequate public transportation subsidies may have access to a wider variety of training, while those who do not are limited to the few options that are close to their homes. Apparently, transportation is a particular problem for minorities living in economically depressed areas. Often, they could not take advantage of desirable on-the-job training opportunities in the suburbs because they had problems getting to the training sites.

A fourth element is, in fact, employer discrimination. Discriminatory practices by some employers and the acquiescence by some, not all, but by some JTPA staff may also be contributing to these disparities. During our focus group discussions and the visits that we made, several counselors told us that some employers discriminate against JTPA clients, either subtly or overtly, by asking the counselors not to send them certain types of applicants such as blacks and women.

In some cases, counselors told us that, while employers did not ask them to screen applicants improperly, some employers consistently failed to hire the women and the minorities that were sent to them. The counselors, many of them, responded to these discriminatory practices by refusing to work with those employers in the future, sometimes first giving a warning that such practices would not be tolerated.

However, the counselors also told us that they do face a dilemma when deciding to end a relationship with an employer who appears to be discriminating. These SDA's depend on the private companies to provide training positions and also to hire the graduates of the JTPA training activities. The counselors find it difficult to balance the need to maintain strong ties with these employers with their obligation to discourage discriminatory practices.

While discrimination could be avoided by rejecting employers that discriminate, this could also eliminate good jobs for other program participants.

So those were some of the elements that we felt entered into explaining why these disparities that we had observed had come about. Then, as I mentioned just before you had to take the recess, the lack of data, makes it difficult for all of us to analyze the situation, and the Directorate for Civil Rights, which admittedly faces these data problems, has not been as proactive, perhaps I should say, as it might have been in pursuing these issues of the disparities and what is being done about them.

[The prepared statement of Mr. Thompson follows:]

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JOB TRAINING PARTNERSHIP ACT
Racial and Gender Disparities in Services

Statement of
Lawrence H. Thompson
Assistant Comptroller General
Human Resources Division

Before the
Subcommittee on Employment and Housing
House Committee on Government Operations

GAO/T-HRD-91-42

SUMMARY OF TESTIMONY BY LAWRENCE H. THOMPSON ON RACIAL AND GENDER DISPARITIES IN SERVICES PROVIDED BY THE JOB TRAINING PARTNERSHIP ACT PROGRAM

The Job Training Partnership Act (JTPA) provides classroom and on-the-job training, and job search assistance to low income and long-term unemployed youth and adults. Several studies indicate that women and minorities are either less likely to receive occupational training or the training they receive is likely to be for lower wage jobs. We have underway a study to determine the extent of disparities in service within individual service delivery areas (SDA). Thus far we have developed some information about disparate services to blacks and women. Disparities, if any, in services to other minorities will be included in our final report.

PRELIMINARY ANALYSIS INDICATES DISPARITIES EXIST. Using the most conservative statistical test, preliminary analysis indicate disparities in the training provided to blacks in 11 to 20 percent of the SDAs we analyzed. In these SDAs, white participants were more likely to receive classroom training and on-the-job training, while black participants were more likely to receive only job search assistance. The Department of Labor data show that JTPA participants who receive occupational training receive a higher placement wage than those who receive only job search assistance. Preliminary indications from the SDAs we visited are that when blacks did receive classroom training, they were more likely to get training for jobs with lower placement wages. Although women were receiving more classroom training than men, program officials told us that women were more likely than men to get training in jobs with lower placement wages.

FACTORS CONTRIBUTING TO DISPARITIES. Because several factors contribute to the disparities in SDAs, the existence of disparities does not mean that equal opportunity laws have been violated in each SDA. Program officials identified factors that contribute to disparate services, such as, self-selection by participants into stereotypical occupations; the financial incentives in performance based contracts that can encourage the steering of minorities and women to lower paid occupations; the lack of an independent participant assessment process in the JTPA program; and discriminatory actions of some employers and the acquiescence of some SDA staff.

LABOR AND STATE OVERSIGHT INADEQUATE. Analyses by Labor's Directorate of Civil Rights identified potential disparities, but final reports have not been completed and forwarded to states in a timely manner. Although Labor is aware of disparate services for minorities and women in the JTPA program, it has provided little guidance to states and SDAs for investigating the causes of these disparities. Neither Labor nor the states maintain data on participant characteristics and activities in a format readily usable for detecting disparities and managing changes when necessary.

Mr. Chairman and Members of the Subcommittee:

We welcome the opportunity to discuss our work-in-process on the services to various demographic groups by the Job Training Partnership Act (JTPA) program. Despite the large representation of women and blacks in the JTPA program, previous reports by us[1] and others--such as the Chicago Urban League and the Women's Action Alliance--identified disparities in the services provided to some women and minorities. Generally, these reports indicate that minorities and women are either less likely to receive occupational training or the training they receive is likely to be for lower wage jobs.

Our study focuses on the extent that disparities occur in individual service delivery areas (SDAs)[2] and the factors that are contributing to such disparities. My testimony today summarizes the information we have developed thus far about disparate services to blacks and women in the JTPA Title IIA program.[3] Disparities in services to other minorities will be included in our final report.[4]

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[1] GAO reports and testimonies related to JTPA are listed in exhibit I.

[2] An SDA is a local project that receives funding through its state according to formulas specified in JTPA to provide job training services. SDAs can include one or more units of local government, or the entire state may be served by a single SDA. Nationwide, there are about 630 SDAs.

[3] The JTPA title IIA program is the nation's primary job training program for economically disadvantaged individuals, spending about $1.8 billion annually.

[4] Our analysis of racial disparities focused on blacks. It does not include Hispanics, Asians, or American Indians because their representation in most of the SDAs we analyzed was generally too small to permit analysis.

BACKGROUND

To identify the extent to which SDAs may be providing different services to different demographic groups, we obtained data on the training received during program year 1989 by adult JTPA participants with a high school education in 227 local service delivery areas (SDAs) in 16 states. These 16 states were the only states able to provide, in a usable format, SDA-level data on the number of JTPA participants receiving specific services. They represent a third of the SDAs nationwide and a third of all JTPA Title IIA participants.

The services analyzed included occupational classroom training and on-the-job training--both of which teach specific occupational skills--and job search assistance, which provides help with general job-finding skills. While participants who receive skill training generally also receive job search assistance, some participants receive only job search assistance and no specific occupational training. Although each form of training has its benefits, Labor data show that participants receiving classroom training have a higher placement wage upon completing training than do participants in on-the-job training. Those receiving only job search assistance have the lowest placement wage.[5]

In looking at differences in the training provided by SDAs to various demographic groups, we limited our analysis to those SDAs with at least 10 people from each of the demographic groups analyzed and with at least 5 percent of the baseline group receiving the service being analyzed. Our analysis of racial disparities, for example, is based on SDAs that had at least 10 white participants and 10 black participants and at least 5 percent of the white participants receiving the service. This was done to assure that only SDAs with meaningful numbers of participants receiving a specific service were analyzed. Table 1 shows how many of the 227 SDAs met our criteria for assessing racial and gender disparities in the services provided.

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[5] In its summary of program year 1989 data, the Job Training Quarterly Survey showed that participants receiving classroom training had an average placement wage of $5.69 an hour compared with $5.44 an hour for on-the-job training and $5.18 an hour for job search assistance only.

Table 1--Number of SDAs Analyzed by Race and Gender and Service

Activity	Race	Gender
Classroom training	187	223
On-The-Job training	172	210
Job Search Assistance Only	119	150

We used the "80-percent rule,"[6] statistical significance tests, and interviews with program officials to identify SDAs that had disparities in the mode of services--classroom training, on-the-job training, or only job search assistance--provided to blacks and women. These statistics are commonly used by the Equal Employment Opportunity Commission (EEOC) and the Department of Labor to identify activities that may warrant further EEO investigations. Our statistical identification of disparities in some SDAs, however, does not mean that equal opportunity laws have been violated. Further investigations would be necessary to determine the cause(s) of the disparities and if any violations occurred. In addition, our analysis of disparities includes determining the occupations for which blacks and women were more likely to be trained compared to white men.

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[6] The 80-percent rule states that a "...selection rate for any race, sex, or ethnic group which is less than four-fifths (4/5) (or 80 percent) of the rate for the group with the highest rate will generally be regarded by the Federal enforcement agencies as evidence of adverse impact." For litigation purposes, EEOC also uses additional statistical methods, such as Chi-square and Fisher's Exact tests, to confirm that observed discrepancies are also statistically significant.

To identify practices that may contribute to disparities, we conducted 6 focus group discussions with JTPA administrators and counselors from 29 SDAs in 3 metropolitan areas--Detroit, Los Angeles, and Washington. Two focus groups were conducted in each location under the direction of an independent consultant. One group consisted of about 10 administrators from several SDAs in the greater metropolitan area, while the second group consisted of about 10 counselors from the same SDAs. Representatives of both SDA and service provider staffs were included. Participants freely discussed a variety of topics related to JTPA assessment, counseling, training, and referral practices with the assurance that they would not be quoted or identified as individuals. We also visited 11 SDAs in 5 large metropolitan areas--Chicago, Detroit, Los Angeles, Philadelphia, and San Diego.

RACIAL DISPARITIES

We found disparities in training provided to blacks in many SDAs that we analyzed. For example, using the most conservative statistical test (table 2) we estimate that racial disparities exist in services in 11 to 20 percent of the SDAs in our survey. In these SDAs white participants were more likely to receive classroom and on-the-job training, while black participants were more likely to receive only job search assistance.

Table 2--SDAs With Racial Disparities[7]

Activity	SDAs Analyzed	SDAs With Disparities 80-Percent Rule	SDAs With Disparities Chi-Square Test
	number	percent	
Classroom training	187	40	20
On-The-Job training	172	37	11
Job Search Assistance Only	119	33	18

To get an idea of the size of these racial disparities, we looked more closely at the 39 SDAs in which the 80 percent rule indicated possible disparities among participants provided only job search assistance. For those SDAs we compared the rates at which blacks and whites were provided that assistance. We found that on average the percent of blacks provided only job search assistance was 14 percentage points higher than the percent of whites given that assistance. For example, at one SDA, 25 percent of the blacks were given only job search assistance, while 13 percent of the whites were provided this assistance -- a difference of 12 percentage points. Across the 39 SDAs, these differences range from 4 percentage points at one SDA to 41 points at another.

In addition, we have begun our analysis of detailed data from 21 SDAs that contains information on the specific kinds of occupational training provided to individuals. Preliminary indications from the SDAs we visited are that when black men did receive classroom training, they were more likely to get training that was associated with lower placement wages. In the one SDA we have analyzed so far, we found that 55 percent of the white men in classroom training received electronics training, which had the highest average placement wage for men--$7.50 an hour. However, only 26 percent of the black men in classroom training received electronics training. In contrast, 42 percent of the black men received training in the health or food services areas, which had lower placement wages--less than $6.00 an hour. Over the next several months, we will be developing additional data on the occupations for which blacks and whites received training to see whether similar disparities exist in other SDAs.

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[7] The disparities shown in this table identify SDAs that were less likely to provide blacks classroom or on-the-job training or were more likely to provide them only job search assistance. However, we found that in some SDAs blacks were more likely than whites to receive classroom or on-the-job training and less likely to receive only job search assistance. Using the 80-percent rule, in 13 percent of the SDAs, blacks were more likely to receive classroom training. Similarly, in 21 percent of the SDAs, blacks were more likely than whites to receive on-the-job training. In 24 percent of the SDAs, whites were more likely to receive only job search assistance.

GENDER DISPARITIES

In contrast with the training provided to blacks, women are receiving more classroom training than men. However, the information we collected during our site visits to 11 SDAs suggests that many women receive classroom training for lower wage occupations. For example, at one SDA analyzed so far, 43 percent of the women who received classroom training were trained in clerical occupations and 33 percent were trained in health occupations. We will also be developing data comparing the occupations for which women and men received training in other SDAs to determine if there are disparities in services to women.

FACTORS ASSOCIATED WITH DISPARITIES

Disparities may be related to local implementation of JTPA and discriminatory actions by some employers. Based on the results of the six focus group discussions and comments by local JTPA officials during our visits, we identified several factors that can contribute to disparities including: self selection, limited training and job options, limited support services, and discrimination on part of employers.

Self Selection Plays Role in Disparities

Many participants self-select the occupation or training available from the service provider or SDA. JTPA officials told us that allowing participants to make choices about their own training is crucial to success in the program because it fosters participant commitment. While self-selection can have a positive influence on participant commitment, JTPA officials also told us that participants often chose training in stereotypical occupations. Some SDA staff counsel participants about other career options, while other SDA staff believe it best not to attempt to change participant choices.

Participants Steered Toward Limited Options

Performance-based contracts used by most SDAs have inherent financial incentives that can encourage service providers to steer participants into only the training options they provide rather than referring them to other training opportunities. Under these contracts, service providers' payments are based on the number of participants that successfully complete one of their training programs and are placed in a training-related job. Service providers in the SDAs we visited also frequently performed their own outreach and assessment. Because there is no independent assessment of participant needs, service providers have the opportunity to steer participants toward the service provider's own training. SDA officials told us that between 80 and 90 percent of the participants recruited by service providers received training from that service provider. Many of the service providers provide training in low wage occupations and actively recruit minorities and women. The combination of a lack of an independent assessment process and incentives of performance based contracts contribute to the disparities in service provided to the various demographic groups.

Limited Support Services Also Restrict Participant Options

The limited availability of support services--such as child care, transportation, and general living expenses--can restrict participant options and thereby contribute to disparities. According to local JTPA officials, in SDAs that provide few support services, segments of the population who have greater need for these services may be limited in the training programs they can attend. For example, some service providers told us they are reluctant to enroll women who lack adequate provisions for child care. These service providers are apparently concerned that such women may not finish the program, which could jeopardize the success rate under their performance-based contract.

Lack of transportation is another factor that can limit access to training for certain groups. Those who have cars or who receive adequate public transportation subsidies may have access to a wider variety of training, while those who do not may be limited to a few options close to their homes. Several JTPA administrators and service providers told us that transportation was a particular problem for minorities living in economically depressed areas. According to JTPA officials we interviewed, urban participants often could not take advantage of desirable training opportunities in the suburbs because they had problems getting to the training sites.

Employer Discrimination Excludes Minorities and Women From Some Training Opportunities

Discriminatory practices by some employers and acquiescence by some JTPA staff may also be contributing to disparities in the distribution of JTPA services to minorities and women. During our focus group discussions and visits to SDAs, several JTPA counselors told us that some employers discriminate against JTPA clients by either subtle or overtly asking counselors not to send them certain types of applicants, such as blacks and women. In some cases, counselors told us that, while employers did not ask them to screen applicants improperly, some employers consistently failed to hire women and minorities referred to them. Some of the counselors said they responded to these discriminatory practices by refusing to work with those employers in the future. Sometimes they first gave employers a warning that such practices would not be tolerated.

However, some counselors told us that they face a dilemma when deciding whether to end a relationship with an employer who appears to be discriminating. SDAs depend on private companies to provide training positions and to hire the graduates of JTPA training activities. During our focus group discussions, counselors said they found it difficult to balance the need to maintain strong ties with employers and their obligation to discourage discriminatory practices. While discrimination could be avoided by rejecting employers that discriminate, this could also eliminate good jobs for other program participants. Some counselors questioned whether they had the right to deny opportunities to these candidates, who were not at fault for employers' discriminatory practices.

INADEQUATE LABOR AND STATE MONITORING

Federal and state monitoring activities are inadequate to identify and address the disparities in the JTPA program. Our review showed that

-- Analyses by Labor's Directorate of Civil Rights of a limited number of SDAs identified disparities, but final reports have not been completed and forwarded to the states in a timely manner; and

-- Labor and many state JTPA agencies do not maintain data on participant demographic characteristics and activities in a format readily usable for analysis of disparities.

Labor's Directorate of Civil Rights Identified Disparities, but Has Been Slow in Reporting Its Findings

Labor's Directorate of Civil Rights is responsible for monitoring recipients of Department funds, such as JTPA projects, to assure that they comply with civil rights laws and regulations. Despite indications of service disparities in JTPA in many of the states and SDAs it has monitored, the Directorate has been slow to complete its state reports recommending corrective action to address these disparities. According to Directorate officials, limited resources and responsibility for monitoring numerous programs have prevented them from issuing their reports and letters of findings more promptly.

Although the Directorate has made monitoring visits to 26 state JTPA agencies and one SDA in each of these state since 1987, to date it has issued formal reports for only seven states. The Directorate concluded that five of these states were in compliance. In the other two cases, disparities were identified, and the Directorate sent letters to the state JTPA agencies requesting an explanation for the disparaties. Both cases are still pending. An average of 24 months elapsed from the time of the visit until the letter was issued in these seven cases.

Preliminary reviews of the data for the other 19 states indicate that 4 had insufficient data for a disparity analysis, but the other 15 also had disparities, according to a Directorate official. The Directorate has sent interim letters of findings to three of these states; however, it has not issued any report or letter to the other 12 states.

Labor and State Data Not Readily Usable for Disparity Analysis

The data maintained on JTPA participant demographic characteristics and activities vary widely by state. The data that Labor's Employment and Training Administration collects from state JTPA agencies for the JTPA Annual Status Report and the Job Training Quarterly Survey were not designed to identify service disparities. The data in the Annual Status Report cannot be used to monitor disparities because it is not broken down by participants' race and gender in each program activity. The Quarterly Survey could not be used either because the data are available only as a national sample, so that disparities at the local level would be masked by the aggregation of the data.

In collecting the data for our review, we found that only 16 states could provide us with data in a format needed to readily perform analysis for disparities. Officials from Labor's Directorate of Civil Rights told us that they had similar problems obtaining data needed to identify possible disparities. In three of four states we visited, JTPA officials said they paid attention to who got into the JTPA program rather than what services participants received once in the program. In the other state JTPA officials told us they reviewed a sample of participants and the services provided, and, when they found disparities, they recommended corrective action. Neither Labor nor states had developed a system for analyzing the services SDAs provide to the various demographic groups.

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If our subsequent analysis confirms these initial findings, our forthcoming report will make recommendations to the Department of Labor concerning actions to improve its oversight, monitoring, and enforcement of civil rights and equal opportunity in the JTPA program.

Mr. Chairman, that concludes my prepared statement. I will be happy to answer any questions you or other members of the Subcommittee may have.

Exhibit I Exhibit I

RELATED GAO PRODUCTS

Amending The Job Training Partnership Act: Inadequate Oversight Among Issues That Need To Be Addressed (GAO/T-HRD-91-28, May 9, 1991).

Job Training Partnership Act: Youth Participant Characteristics, Services, and Outcomes (GAO/HRD-90-46BR, Jan. 24, 1990).

Job Training Partnership Act: Information on Training, Placements, and Wages of Male and Female Participants (GAO/HRD-89-152BR, Sept. 12, 1989).

Job Training Partnership Act: Comments on H.R. 2039, The JTPA Amendments of 1989 (GAO/T-HRD-89-32, June 29, 1989).

Job Training Partnership Act: Services and Outcomes for Participants With Differing Needs (GAO/HRD-89-52, June 9, 1989).

Senate Bill 543: The Job Training Partnership Act Youth Employment Amendments of 1989 (GAO/T-HRD-89-18, May 11, 1989).

Job Training Partnership Act: Participants, Services, and Outcomes (GAO/T-HRD-88-31, Sept. 29, 1988).

Youth Job Training: Problems Measuring Attainment of Employment Competencies, (GAO/HRD-87-33, Feb. 11, 1987).

Job Training Partnership Act: Data Collection Efforts and Needs (HRD-86-69BR, Mar. 31, 1986).

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Mr. **Lantos**. Mr. Thompson, I want to thank you and your colleagues for what I think is an extremely significant and valuable contribution to our goal here.

I would like to call on Chairman Conyers to begin the questions.

Mr. **Conyers**. Thank you very much.

It appears that you finally got your statement in, Mr. Thompson. You are to be congratulated. You are dealing with a proactive subcommittee here. I think that our concern is quite evident.

I want to, first of all, commend you for this partial report, yet to be completed, that was furnished us in advance of your conclusion so that we could have this dialog enter into the authorization and appropriation and considerations going on with JTPA. Otherwise, this would be just another important discussion that came too late for us to act.

The fact that my colleague from California is on the Education and Labor Committee and had great concern about this program for many years adds to the dimension and significance of what is taking place here today.

May I just ask you about the disparities that result from potentially discriminatory practices by some employers, which is sometimes compounded by staff acquiescence. Would you fill us in on your impressions of that part of the problem, please?

Mr. **Thompson**. Well, that is the part of the problem where you clearly have potential violations of civil rights statutes. So much of this training is on-the-job training. You have to have an employer who is willing to enter into a contract with the SDA and accept these candidates for the training. And the problem arises, then, when employers, subtly or not so subtly, let it be known that they would rather not have some of the minority people in the training.

I think the staff struggles with that. Sometimes it's subtle, and so it takes a while for them to figure out that they send over candidates, and the whites get hired and the blacks don't. It takes you a few months to figure that out, by which time, of course, there has already been some discrimination going on. Then they have to either work with the employer and remind them that they are under contract and that contract does not allow them to discriminate, or they have to find different people to do the training.

They find themselves in a difficult situation. I might say, it might be a little easier situation if there was a heavy hand from outside of the local area kind of backing up the SDA staff, telling them that "We're watching, and you've got to clean up your act."

Mr. **Conyers**. So these subtle practices really are hard to deal with at the local level. There is a relationship between the corporate participants and the local agency, and it is hard for them to do that unless there is some mechanism, some rule, some oversight. Let me just conclude this question with how we go about remedying this particular problem; what suggestions would you lay out, tentatively, in this regard?

Mr. **Thompson**. I would say, Mr. Chairman, that in your opening statement you laid out four ideas that I think are very close to the kinds of things that we have been thinking about. I'm not sure that I'm in a position to make a final recommendation, but that is the direction of our thinking.

An independent assessment—would deal with a closely related problem. I could use your own area of the Detroit region to illustrate with an example which I'm making up.

You could have a situation where one employer in Dearborn has a contract to train for skilled workers, and another employer on the east side of Detroit has a contract to train for maintenance workers, let's say. Now, these people have these performance contracts, and they are given the responsibility to recruit, to do assessments of whether the people they recruited will benefit from the training, to enroll them, and to graduate them. And left to their own devices, the employer in Dearborn could recruit away happily in Dearborn, and you know he wouldn't get very many minorities channeled into his training for the higher-skilled jobs.

Whereas, the person on the east side of Detroit, he recruits merrily away in the black neighborhoods of Detroit, and you end up with all the blacks going to the lower-skilled training and all the whites going to the higher-skilled training.

Now, I'm not sure that at this point anybody has violated any laws. I'm not sure about that, but I don't know of any that they are violating right now. So what we've got to do is, we've got to figure out a way to make somebody responsible for monitoring what is going on to deal with that kind of a situation, if it does arise.

You suggested independent assessment, which I think is one way of dealing with that question. You suggested somehow creating incentives for taking a risk, so that that person in Dearborn has an incentive to recruit outside of Dearborn and take a risk on some people who might need just a little bit more attention.

So you could still have a performance-based contract, but you could adjust the incentives so that you would get what we would hope would be a little more socially desirable outcome.

Mr. **Conyers**. So what you are suggesting is essentially that everyone who comes into JTPA be judged by their own potential and their own merit, without regard to any localization or steering that may occur that would create differences in the quality of preparation for the participant to resume the job market. And that's the underlying premise on which this discussion about disparities in the disposition of black and female applicants is really based; is that not correct?

Mr. **Thompson**. That's correct.

Mr. **Conyers**. Finally, I just wanted to ask Mr. Frazier if the late E. Franklin Frazier is a relative of yours? This is a burning, irrelevant question for this hearing.

Mr. **Frazier**. Mr. Conyers, I have a sister who set out to do a family tree, and I think the only reason she did that is to find out if E. Franklin Frazier was our relative, and she failed.

Mr. **Conyers**. Well, I'm sorry to hear that, because I would question your methodology. It's my view that anybody of African-American descent named "Conyers" is automatically a relative. But, anyway, we all have our different methods of historical research. [Laughter.]

Thank you, Mr. Chairman.

Mr. **Lantos**. Thank you very much, Mr. Chairman.

Congressman Martinez.

Mr. **Martinez**. Thank you, Mr. Chairman.

You visited one of the SDA's in Los Angeles.

Mr. **Thompson**. Yes, sir.

Mr. **Martinez**. Could you tell me about your findings in that specific instance.

Mr. **Rogers**. Yes, sir. Basically, the way the Los Angeles programs works, there is a city of Los Angeles program and a county of Los Angeles program. They both work similarly, and that is with performance-based contracts being the sole mechanism for providing training to participants in the program. There are no JTPA service delivery area run assessment processes.

Mr. **Lantos**. Put the mike a little closer, please.

Mr. **Rogers**. I'm sorry.

So as the program is executed in the Los Angeles area, it is run by service providers who do their own recruitment, their own self assessment, and their own training of individuals. The people who run those various projects—they have something like 60 different contracts—are basically in the communities that they operate out of, either in the inner city or suburban area.

Mr. **Martinez**. Let me be—maybe I didn't phrase the question right. Since this is about discrimination, this hearing, and since the Los Angeles area has large communities of minorities, the Hispanic community, for example—there is a larger Hispanic community in the city of Los Angeles than there is anywhere else in the world with the exception of Mexico City.

So you would say an area like this, coupled with the fact that also one of the very large, large minority communities there is the black community, that if you found, because you were looking at discrimination practices, in that area how they dealt with that and what their stats were like.

Mr. **Thompson**. May I just interrupt. If there is something else that he can add, then I will be happy to let him do that. But I think that you will do well to not just think of discrimination. Discrimination has kind of a legal context and implies that we can find somebody who now is doing something that they shouldn't be doing.

I think that the problem that you need to deal with in JTPA is more subtle than that. It's that the structure of the program allows the decentralization of service providers of intake and of placement, geographic decentralization, so that you get service providers who are in a particular geographic area and that's an area that's dominated by one ethnic group.

They do a particular kind of training; they do their own outreach. The natural result of that is that they are in taking that particular ethnic group and training it. And if they are training for low-skilled jobs and that's a minority group, that's the result that you get.

Now, I think that what we have to think about, then, is—I guess I'm proceeding from the assumption that none of us really are comfortable with that result—so what we ought to think about is what are the ways that we can alter the structure of this program to offset those tendencies. Chairman Conyers talked about separate intake, a coordinated intake.

I believe I'm right that there is an example that we bumped into Los Angeles where somebody is operating a training program for word processing, and to get into the program you need to type 20 words per minute—that's to get into the program—and be a high school graduate. Now, if you don't type 20 words per minute, they just tell you, "Sorry, you didn't pass the hurdle to get into our program." They don't refer you to somebody else.

And it turns out, if you go down the street a little ways, there is somebody who has a different training program that would love to take people who type less than 20 words per minute. But the Los Angeles SDA is set up so that there is no central intake-testing-coordination mechanism. It's all decentralized, and there is no mechanism for getting this person referred over to another service provider.

I think those are the kinds of structural situations that exist and that probably are—well, they are very important, I think, in leading to these disparities, and they may not be illegal right now. So, as you do your reauthorization, I think that's the sort of thing you need to struggle with, along with provisions to more effectively enforce the civil rights statutes, because we were talking about some stuff that is illegal a little earlier.

Mr. **Martinez**. I think that really answers the question sufficiently, but what it leads to is the question I was going to ask as a followup. It almost is assumed by the discussion and dialog we are having here that there was no mechanism in the law to guard against violations of civil rights or to guard against antidiscrimination practices, and in fact there was.

Mr. **Thompson**. There is.

Mr. **Conyers**. Section 167.

Mr. **Thompson**. That's right.

Mr. **Martinez**. Now, that's another whole area that I really maybe should have asked that you take a look at in how that was being implemented, if it were being implemented. What has happened to that section as far as how effective it would be to keep discriminatory practices from happening? Maybe, with the consent of Chairman Lantos and Chairman Conyers, you might extend this to take a look at that and see why we haven't moved more aggressively toward implementing the regulations that it requires.

Mr. **Thompson**. Yes, that is part of our study, Congressman.

Mr. **Martinez**. It is?

Mr. **Thompson**. Yes. That is, I think, the area where we talked about the actions of the Directorate for Civil Rights, which, frankly could be more proactive than they have been. They also, let's recognize, suffer from the same data problems that we bumped into. Now, the Department maybe, with a little help from the Congress, can deal with those data problems. It would make all of our lives a little easier and make it more easy to get the outcomes that we are looking for.

Mr. **Martinez**. Well, it seems like the Department of Labor is not really aware—in fact, the testimony we will receive from Mr. Jones seems to indicate—well, it does indicate that they disagree with your findings on the basis that they do serve a disparate number of minorities. What you have testified before us has contradicted that, or they contradict you, one way or the other.

But they are not consistent, is what I'm saying, and why is not the Department of Labor aware?

Mr. **Thompson**. I think we're talking past each other. JTPA serves more blacks, a higher percentage of blacks, in the eligible population than of whites. It doesn't serve a high percentage of either, but it's a little higher percentage for the blacks. And, nationally, if you look at the allocation of people between these broad service modes, did they get classroom training, did they get OJT, the allocations in the data I've seen look like they're fairly comparable.

It is only when you get down, when you go away from the national data and you get down to what's going on in an individual service delivery area—what's happening in Los Angeles—that you begin to see these disparities open up. Or when you get down to classroom training for electronics versus classroom training for maintenance workers that you begin to see the disparities.

So you have to look at what is going on in an individual place or look at more finely crafted data on who is being trained for what before the disparities become obvious. That is our experience.

Mr. **Martinez**. What specific changes would you make or recommend in order that that data be collected or collected in a way that it can be looked at universally, like you say, or nationally than just on specific sites that, say, now do collect the data?

Mr. **Thompson**. I don't think that we have, prior to this hearing, thought about what we would suggest as the fix. We would be happy to see if we can do something and submit it back to you. I mean, I think Chairman Conyers had the right idea, but in terms of the specifics of what ought to be done, we haven't really thought beyond the level that he was——

Mr. **Conyers**. Marty, would you yield for just a moment?

Mr. **Martinez**. Yes.

Mr. **Conyers**. I wanted to just pick up on a thread of the discussion that I think the record should make clear. First of all, there is only 5 percent of the eligible population being covered. So when you say that there may be more blacks serviced than anybody else, we're talking about some very small numbers, indeed, are we not?

Mr. **Thompson**. Yes.

Mr. **Conyers**. Is that 5 percent a good figure?

Mr. **Thompson**. That's the one I'm acquainted with, yes. I did try to add there—perhaps I swallowed my words—that they are not serving a great deal of either blacks or whites.

Mr. **Conyers**. Right. You did. And then this is a 100 percent federally funded program; is that not correct?

Mr. **Thompson**. Yes, that's correct.

Mr. **Conyers**. So the relationship that we've been struggling to create between the SDA's, the local administrative body, and the service provider agencies, which are the corporations, is really the crux of this hearing. It's loose; it's disconnected; it's disparate among the SDA's themselves. The impression that I am getting—and correct me if I'm wrong—is that the service providers are really calling more of the shots that we should feel comfortable about; is that fair?

Mr. **Thompson**. They are calling an awful lot of the shots, and I think the result is something that we are not comfortable with.

Mr. **Conyers**. Right. I thank the gentleman.

Mr. **Martinez**. Along that same line, in your investigation, were you able to determine if, in any case, the SDA's were conducting any oversight over the service providers and participant assessments and things like that?

Mr. **Thompson**. I'm sorry, in oversight?

Mr. **Martinez**. Oversight; the SDA's themselves.

Mr. **Thompson**. Oh, yes, there is oversight. In fact, we talked about the conundrum that some of the counselors have when they find an employer that they suspect is discriminating. That's evidence of oversight, perhaps not as effective oversight as we would like, but there is some oversight.

Mr. **Martinez**. Has the Department of Labor ever had an instance like this where there has been, let's say, a discovery of some kind of discrimination, have they ever—have they or how long does it take them to come in and investigate themselves?

Mr. **Thompson**. They are probably better equipped to answer that than I am. My impression is that no one has been thrown out of the program here for violating civil rights statutes. There is an attempt to negotiate, through the Governor's office, when problems are found and to try to work them out.

Mr. **Martinez**. Have there been corrective letters sent to the SDA's, ever?

Mr. **Rogers**. In the Directorate of Civil Rights, in their investigations, where they have identified disparities, they have sent some letters to a few of the States, although the majority of their analysis is still pending.

Mr. **Martinez**. And those letters that they did send, did the SDA's comply or did they fail to comply?

Mr. **Rogers**. The letters were sent to States, not to individual SDA's—they requested an explanation from the States as to what caused the disparity. And the States respond back, in a sense, with an explanation, but they are not really recommending specific corrective actions.

Mr. **Martinez**. All right. So then a corrective letter has never been sent.

Mr. **Rogers**. Correct.

Mr. **Martinez**. I think that the Department of Labor has to answer some questions, too, regarding section 167 that I will ask them, but I thank you for what you have done.

Thank you, Mr. Chairman.

Mr. **Lantos**. Congresswoman Ros-Lehtinen.

Ms. **Ros-Lehtinen**. Thank you, Chairman Lantos.

I have some questions—and they might have been answered previously—about who is in charge, who runs it, who sets certain standards, et cetera. In our previous discussion before the vote, when we were trying to get answers as to how SDA's are set up and how they are administered, et cetera, there were a lot of answers related to Governors and PIC, private industry councils. Yet, when it comes to who is at fault, it's not Governors, and it's not private industry councils, but it's the Department of Labor.

So I guess what I want to find out is who is—ultimately, of course, the Department of Labor would be held accountable, but it seems to me that this is a process that is set up by Governors. There is a board, a private industry council that, we hear, has a professional staff that more or less administers programs. Yet, when there are problems, the Governors are not held accountable; the private industry councils are not held accountable; the Department of Labor is held accountable.

If the previous explanation was all full of answers related to PIC's and related to Governors, how come, when there are problems, we no longer hear about Governors and we don't hear about PIC's, but we hear about the Secretary of Labor?

So who's in charge, and what's going on? What responsibility does the PIC, the private industry council, have to either maintain records, to make sure that there is no discrimination? If you find that there are some problems, do you send a letter to the Governor? Do you send a letter to the board of directors? Do you send a letter to the staff? Do you send a letter to Lynn Martin?

Who is in charge? Who is running them? Ultimately, of course, the Department of Labor is responsible, but I just don't understand how the Governors of these 16 States that you collected this data from, how do they relate to these problems of discrimination? Are the 16 Governors going to get a letter saying that they, who have selected SDA's, are responsible for discrimination?

Does the private industry council, who more or less—what do they do? Do they administer then? Do they run the SDA's? Are they going to get a letter? Is the board of directors of all of these different PIC's in these 16 States, are they going to get a letter saying, "You have discriminated against minorities and women," and are the staffers going to be held accountable, the staffers of the private industry councils also held accountable for the discrimination in their SDA's?

Who's in charge?

Mr. CONYERS. That was one question. [Laughter.]

Mr. THOMPSON. Well, at the Federal level, the Department of Labor is responsible for overseeing the program. That is done through the Governors' offices and then to these private industry councils. That is the structure which was consciously established to get the States involved and to get private business involved, probably as a reaction to some of the perceived shortcomings of the predecessor program. So that's a conscious decision.

Now, I think you hadn't come back from the vote yet, when I was making the point that a lot of these disparities may not necessarily be the result of discrimination. I think one should not necessarily look for a heavy, a villain, for each of these——

Ms. ROS-LEHTINEN. Oh, I heard that, about transportation, and child care, and other factors.

Mr. THOMPSON. That's right.

Ms. ROS-LEHTINEN. I understand that. Are the 16 Governors going to get a letter or any sort of—are they going to get this report? Are the PIC councils going to get the reports? Are the staff people in the PIC's going to get it?

Mr. THOMPSON. Yes, we'll send them copies of the report.

Ms. ROS-LEHTINEN. How responsible do you think that the Governors of these 16 States are about this?

Mr. THOMPSON. I think they are all responsible individuals.

Ms. ROS-LEHTINEN. Would you say that the 16 Governors share blame for the discrimination that seems to be and the disparities that seem to be taking place in this program and that the PIC's share blame with the discrimination that seemed to take place? I'm sure that those—are they private business types on these councils? I think that we should let them know that this is going on, and I think that the staffers should be held accountable as well that they had not cleared up this job disparity. Let's share it.

Mr. **THOMPSON**. Fine.

Mr. **CONYERS** [presiding]. That was one question, too.

Let's see. Ms. DeLauro.

Ms. **DELAURO**. Thank you, Mr. Chairman.

Just to follow up on that one question, it appears as if, based on the commendable work that all of you have done, that we have a system here which there isn't any sort of an enforcement mechanism, either for compiling the data, success of the program, and maybe even more fundamental that there isn't that set of criteria or assessment chart against which to try to determine whether or not we are succeeding or failing.

Presumably, what you are going to do is to make some recommendations. In terms of that accountability that we have been fiddling around here with this morning, where would you place it, given that you have looked at this system in some detail? Some of your thoughts on where would you place that accountability at the moment, for the lack of compiling the data, for other kinds of the particular problems that you found in the study. Do you have any thoughts about where you should house that accountability at the moment?

Mr. **THOMPSON**. In order to deal with this problem?

Ms. **DELAURO**. Yes.

Mr. **THOMPSON**. I think that the Secretary of Labor should have some of the responsibility. She must oversee this in the end. It's Federal money, and it's operated through her Department. I think we need to probably specify that there are some types of results that the Congress is interested in having people monitor, the Secretary, and, in turn, the people who are running these SDA's, to monitor them and have them take action to deal with these disparities, if they become too great.

So, in other words, we need to—you need to, really—telegraph that these kinds of disparities are unacceptable results and that you want the people who are running these service delivery areas to monitor the outcomes and take action to try to deal with them, if there are these disparities developing.

The program was set up to monitor closely what the placement rates were. Now we look at how long people stay in jobs, retention rates, and average wage levels. All that information is maintained and reported, and people are monitored as to how well they are doing. It is just that no one set up a system to monitor whether there are disparities in the allocation of training opportunities. So that's an area that maybe needs to be added to the list of what's monitored.

Ms. **DELAURO**. Well, what I'm trying to do, because I think ultimately we will be talking about that here and what it is that we ought to do, and hope with help from all of you, in terms of trying to—it's not a sense of—I don't want to be in the business of fixing blame; I want to try to be in the business of trying to sort this out so that we can have people who are adequately trained and we're not discriminating against minorities and women in this process.

Our first step is to deal with this in terms of with the Secretary of Labor. OK.

In terms of the disparities, in your testimony you talk about JTPA officials allow participants to select their own training and that they feel that that is important to the success of the program because of that kind of personal participation in the process.

A couple of questions: Would you agree that that is the way that we ought to be continuing to proceed on this, if we are going to try to make corrections? Does it seem to be working? Is there a better way for that to work? Should we not have this personal selection, if you will, or some greater sort of direction or counseling by the staff? My question is, how well trained are the JTPA staff people in terms of helping folks make some determination as to what direction they ought to be going in?

Mr. THOMPSON. My impression is that the training and backgrounds vary tremendously from one place to another.

Ms. DELAURO. So there are no criteria for the kinds of training that—if I were to have the job as to counseling others as to what they ought to do, there is no set of criteria that says this is the kind of background, this is the kind of experience, et cetera, that I ought to have in order to be able to provide that kind of a service?

Mr. THOMPSON. No, it's pretty much delegated to the PIC to manage the program and make those kinds of decisions. So they do vary. Now, some places I think try harder to offset self-selection to traditional occupations. Some try harder than others.

There is in the statute an admonition to SDA's to counsel women to nontraditional occupations. There is nothing comparable with respect to race. But it's not a requirement; it's an admonition. It's just kind of a statement of Congress' intent.

You get to the question of should people be allowed to pick their own training? I'll give you my opinion. I think that you can only push so far. I think this is a case of trying—as a social policy, what you want to do is, lean against the wind. There are a lot of incentives out there operating to get women to go to the traditional occupations. Women trying to be construction workers, have to put up with an awful lot, probably. They shouldn't have to, but they do.

So a lot of women don't want to put up with that, and they say, "I'd just as soon learn how to be a typist." We need to work at all levels of society and in each place we can to overcome those barriers. They need to work in this program to try to encourage women to go to the higher-paying, higher-skilled occupations. They need to encourage that, but I don't think it's right or effective to force the women into that training.

So I guess I come sort of in the middle there. I expect that if everyone tried hard to encourage women but didn't force them, you would still end up with a little bit of self-selection, but less than we are seeing now.

Mr. FRAZIER. I think that the self-selection mode has to go on. I don't think that you can change the self-selection mode. I think our argument is that people are not informed. It's one thing to make a selection after you are informed about what's available, but it's a totally different thing to select yourself into a career or to an occupation because you feel more comfortable with getting a job.

So I think our testimony today or our argument today is that you really need to have the clients or the participants informed before they self-select.

Ms. DELAURO. Do you think we ought to have people who are in those positions of counseling or helping to direct people, do you think we need to have some sort of a criteria or guidelines—or not guidelines, some sort of a background in which they are trained in any way to do this?

Mr. THOMPSON. I don't think we are in a position to answer yes. You clearly may want to think in terms of being clearer about what your intent is for how these SDA's are to run. I don't think we have evidence that they are incompetent.

Mr. MARTINEZ. May I ask the gentlelady to yield to me on that point?

Ms. DELAURO. Yes.

Mr. MARTINEZ. One of the things, in the 6 years that I was chairman of the Subcommittee on Employment Opportunities, that we found is there wasn't really a lot of guidance coming to the local areas. We always felt that a lot of that guidance had to come from the Department of Labor. Do you find in your studies, in your investigations, here that those local areas are getting a lot of technical assistance or advice from the Department of Labor?

Mr. THOMPSON. No, they are pretty much on their own.

Mr. MARTINEZ. That's how it started out at the beginning, and a lot of things, you know, people were afraid to do things because they didn't want to be held responsible for doing the wrong thing, and there wasn't a good deal of advice coming. You can always expect that in a new program that maybe even the Department of Labor wasn't exactly sure, as they were developing the regulations, what they should be doing.

But I think after 8 years that there should have been something determined on a certain amount of technical assistance and advice to those local areas that this was available and that they should participate in it.

Ms. DELAURO. I have just one final question: In your overview and analysis, do you think that the problems that you have identified are correctable, or do you think that we've got some serious fundamental problems with JTPA that are not going to be able to be corrected with bits and pieces, that we're talking about really a fundamental overhaul of this system?

Mr. THOMPSON. I would not say that what we have found suggests you need a fundamental overhaul. I would suggest that, in that sense, these are addressable, correctable, if you will, in the framework of the current program with some modifications. I think we shouldn't lose sight of the fact that there is a lot that this program is accomplishing, and we shouldn't scuttle its structure just because we have discovered that there are some things about it that we don't like.

We ought to try to deal with the things that——

Mr. CONYERS. Could I modify her question to ask, is it correctable without legislation, if you can tell that yet?

Mr. Thompson. I think not. I mean, I think that even the most proactive Secretary of Labor might discover that she didn't quite have the authority necessary to get the private industry councils to make certain changes.

Mr. Conyers. Very good.

Ms. DeLauro. Thank you very, very much.

Mr. Conyers. We are running way behind time because of the new system of having witnesses answer questions first, but I have to just raise this question with you. How would you describe any major weaknesses of the predecessor program? We were talking about CETA servicing twice as many people; it was getting twice as much money. Looking retroactively, was there some major failing that we could keep under our belts as we move toward this corrective process here?

Mr. Thompson. I think the criticisms of CETA, the major criticisms of CETA that this JTPA was structured to deal with were that there was lots of training, but it wasn't necessarily for the right jobs. So people would get trained, maybe get trained well, but they would be trained for jobs that didn't exist in that area. And the training could go on and on and on. It's not a perfect world. Sometimes long training is the right thing.

The feeling was that a lot of money was being spent, but, for the money being spent, there weren't enough people getting jobs. So what you see is a structure which consciously tries to get the local business community to be the ones who make the policies about what jobs are to be trained for and how training is to be done, on the assumption that they are in the best position to know where the needs are.

There is a pressure to get people through training rapidly and to get them placed at reasonably decent wages. I think the program has proven to be successful at doing those things. So I'm not here to advocate massive changes in the structure of this program, I just think that we need to look, then, at whether in the process of solving some of the problems with CETA we didn't create some other problems that now need to be dealt with.

Mr. Conyers. Right. So this study, based on 227 service delivery areas in 16 States, leaving out 34 States that had no usable SDA data on the number of participants receiving specific services, is there anything to suggest that your findings would have been significantly different had the study included data from the 34 other States?

Mr. Thompson. No, we have nothing to suggest that. When we went around and visited these SDA's, you get kind of similar pictures in the various parts of the country.

Mr. Conyers. Well, thank you very much, Mr. Thompson, Mr. Frazier, Mr. Rogers. This is an excellent beginning. We have taken far longer than we thought. We thought the whole hearing would be over by now, but I think that's a reflection of the interest of the members of this committee and also of the good work that you have been doing. Thank you very, very much.

Mr. Thompson. Thank you, Mr. Chairman.

Mr. Conyers. I would like now to call our final panel: the Assistant Secretary of Labor, Roberts Jones; the Director of the Directorate of Civil Rights, Annabelle Lockhart; they are accompanied by Ray Uhalde and Bud West.

If all of you would come forward, stand, please raise your right hands.

[Witnesses sworn.]

Mr. CONYERS. Let the record show that all the witnesses indicated " aye."

Please be seated and consider that, without objection, your entire statements will be put into the record. That will allow you to summarize. Also, I would like to give you the permission to make any comments about any of the discussion that has gone on before.

We welcome Mr. Jones as the Assistant Secretary of the Employment and Training Administration in the Department of Labor, and we would ask you to begin.

STATEMENT OF ROBERTS T. JONES, ASSISTANT SECRETARY OF LABOR, EMPLOYMENT AND TRAINING ADMINISTRATION, ACCOMPANIED BY RAY UHALDE, ADMINISTRATOR OF STRATEGIC PLANNING AND POLICY DEVELOPMENT

Mr. JONES. Thank you, Mr. Chairman.

I appreciate the opportunity to be here, and I will keep my comments very short so we can——

Mr. CONYERS. Pull that microphone up just a little bit closer, sir. Thank you.

Mr. JONES [continuing]. Proceed with the discussion that has been held to this point.

Secretary Martin, since coming to the Labor Department, is absolutely committed to continue to examine all aspects of the Job Training Partnership Act, and the other programs in the Department, to ensure not only equitable service but maximum benefit to each of the participants and groups in relating them to better labor market experiences.

In this respect, we certainly look forward to the work that GAO has done and their continued investigation. In fact, we would be delighted if they would speed it up a little bit and we would have a little better insight. As you know, we haven't seen the report yet, so it's a little difficult, as some of these questions indicate, to know exactly what the implications are. But it is useful work, and it's helpful to the efforts that we have underway.

Their report suggests a number of disparities. I would point out, as Mr. Thompson indicated, the basic issue we addressed in our testimony versus the issues that they have raised is one of national examination of the data, the service levels and the groups versus what appears to exist in certain selected SDA's.

On a national basis, it is important to recognize that the incidences that have been reported in the GAO report don't exist across the board. Now, that suggests some very high variations. In fact, if GAO has some of the variations in some of those SDA's that have been reviewed, it suggests, and I think it's pointed out in one of the footnotes, it is quite the opposite in some other places.

We have some incidences where we have a very high percentage of blacks in classroom training and OJT and a very low percentage of whites, and a very high percentage of women in OJT, and other examples of that on a national basis. But it is important, nationally, to recognize the service levels in those categories amongst both gender and race are fairly equitable.

Second, it is important to be careful here. There is a major, major issue that we don't think that GAO has addressed when one comes to the conclusion part of this issue. Much of this debate depends on two aspects. One is who is coming in and what, as you have pointed out, their assessed levels of needs are. We can't just look at the number in the category; we need to be able to look at what the labor market experience has been, the education level, even if it is a high school degree, which, as we all know, is a bit variable today.

Second, we need to look at what the results are for those people in those categories. For example, national data, suggest, even though the debate is that there are more women in classroom training and more men in OJT clearly true, but not to the degree that their report shows.

On the other hand, what they have failed to bring up is that the wage rates of women going into jobs coming out of classroom training is higher than anyone. Their experience is more positive. Their success rates are more positive, precisely because of that issue. Second, we find, in the national data, that more blacks are in classroom training, not in job search, as the GAO data would point out.

Again, if we look at the outcomes, we find that black placement and wage rates are very close to the levels for whites and other groups. These programs, as difficult as they are to judge in their outcomes, have had their greatest impact on both women and minorities, when we look at their relative experience in the labor market.

The wage rate of women coming through this program on a national basis is about 13 percent in comparison to the other groups and a much wider disparity in the normal labor market. They do much better by these services. The only reason we raise that is, again, focusing on the conclusion, we want to be careful that we don't put a conclusion in place that may well impact on either the outcomes or the needs that people have.

Two more points and then one I would like to focus on what you have raised. One is, we have been part of, ever since the CETA debates and on through these debates, academic studies and others which continue to argue which is the best mix of services for different groups. It is not patently clear that job search, as an activity, is either less productive or demeaning in any respect to some people.

In fact, in government policy, we have some programs, such as the JOBS program right now, where job search is the primary and first service of groups, because the presumption is that it is a better experience for people who have not been in the labor market to get that experience, move up the line, and move down.

Our system, for the last 5 years—the local to the national level—has been engaged in this debate as to which service mix does best for which of these groups, that is, which has the most positive outcome in the long-term benefit.

Most importantly, I would like to highlight just a couple of things that I think your discussion this morning has already brought up and where we have an enormous agreement. The GAO study indicates, and we certainly would agree, that individual participant selection does bias these outcomes and numbers. Service delivery areas vary considerably regarding the availability of training providers and capacities and the types of training that can be offered. By the way, that does go to the question, a little bit, of the size. We do range right now, Mr. Chairman, from SDA's of 50,000 to those of several million people. The allocated dollars in there would be highly differential in terms of what you could mount in a 50,000-person SDA versus the larger ones.

On average, the minorities who enter JTPA title IIA programs are less job ready than whites, and there is a service strategy that is designed to try to deal with that and that certainly prejudices and causes some of this disparate outcome.

Location of training services and employment may affect the selection greatly, as has been pointed out. A 1988 study of the national research council concluded, essentially all of the national growth in entry level jobs and other jobs with low education requisites has occurred in the suburbs, ex-urbs, and nonmetropolitan areas, all of which are far removed from growing concentrations of more poorly educated minorities in central cities.

There are clear patterns where some men pursue on-the-job training rather than classroom training, both because of a cultural view and the issue of salary and job. Conversely, AFDC recipients tend to choose classroom training, because they can receive child care and support services and a higher wage among other reasons.

The administration in 1989 and again this year submitted legislation that dealt with several specific issues in this regard that we think are essential. It would be no surprise to you, I am sure, to determine that they go right to the point of this discussion.

No. 1 is the eligibility itself which we have suggested has to be more narrowly targeted in who needs these services. Today's definition is just economically disadvantaged. It gives you a very wide range. The administration's legislation and the work of the Committee on Education and Labor is to tighten that up so that we are only serving people who need classroom training and specific intervention services in order to attach to the labor market. All clients would be required to have a background assessment before they are put into any service anywhere, across the entire program.

Second, and this is as important as the assessment, is a requirement that they then have a specific service strategy to meet that assessment. If people are essentially illiterate, then we deal with that issue and not OJT. If they have labor market experience, we don't put them in OJT; you do other things for them.

The requirement that clients have an assessment, that there be a skills strategy to deal with that assessment, means, legally the program, and the administrators, would but also have to have the capacity to deliver those services, not necessarily in the program. You may have to go to the community college or someplace else to get it. But the commitment to people is to be sure that, if they have these needs, we are able to address them within the program and not limit ourselves to just the service deliverer or the community based organizations that may be there at the time.

We have proposed that job search assistance, even though it is still an argumentative debate, not be allowed to be delivered by itself. Our legislation proposes that it be linked to classroom training or other services as an auxiliary assistance not just as a single service itself. We are also proposing that individual client data be collected from SDA's across the country, to more effectively deal with this issue. We are also allowing more flexibility in the support services which, again, we have heard raised here.

A major issue, if we are to continue to try to serve even the 5 percent of the eligible population, with dollars being what they are today, is that these programs have to be linked with those that have other services in them in order to broaden those services. The legislation that I just described was proposed in 1989 and was passed by the House with almost unanimous support on a bipartisan basis in the Education and Labor Committee. A more recent and similar version is currently there at the moment.

As Congressman Martinez has pointed out, that committee is about to move a bill, again with very same bipartisan support, for these kinds of items. We want to make these changes in the law in order to ensure that we are giving the right services to the right groups of people, and that we can track it over the course of time, and that we can ensure that the local programs in fact have the capacities to deliver those services.

So, on the broad issues, we think that the national data does give us some other indications that there are some other things that need to be looked at before we jump to the conclusion that the disparity itself is a total negative. But the bigger issue that has confronted us is the wrong people in the wrong services for the wrong reasons. We have proposed these changes which will go to the heart of this area.

Thank you very much.

[The prepared statement of Mr. Jones follows:]

STATEMENT OF
ROBERTS T. JONES
ASSISTANT SECRETARY OF LABOR
FOR EMPLOYMENT AND TRAINING
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND HOUSING
COMMITTEE ON GOVERNMENT OPERATIONS
U.S. HOUSE OF REPRESENTATIVES

July 17, 1991

Mr. Chairman and Members of the Subcommittee:

I appear before you today to testify on the General Accounting Office's examination of potential bias in Job Training Partnership Act programs.

We are at a distinct disadvantage in that we are testifying on a study that is still underway. While we appreciate the oral briefings that GAO has provided us on their study as it has progressed, we have not had the benefit of seeing their written report, the data they have collected, nor their analysis of those data. Consequently, we will discuss our own data on JTPA services to women and minorities.

Our review of the program's data and our experiences in administering job training programs do not support some of the GAO findings that have been shared with us. Nor do we do find patterns of overt or systemic discrimination. Rather, I want to emphasize the following:

- The Labor Department's Job Training Partnership Act is our primary second chance job training system. It is the most successful nationwide training program ever undertaken. Its record on advancing the employability of disadvantaged youth and adults, including minorities and women, has been unprecedented.

- Women and minorities are served equitably by the JTPA program and succeed in the labor market following their participation in JTPA.
- The overriding issue is not overt discrimination. Recognizing the wide variation in employment preparation our participants bring to the program, the overriding issue we face is identifying the most effective service strategy for each individual client. It is incumbent on us to make sure that individuals get those services that will result in the maximum long-term impact on employment and earnings.

With respect to this last point, on May 22 of this year Secretary Martin sent to the Congress the Administration's proposal for amending the Job Training Partnership Act. This proposal is similar to legislation that was transmitted to the 101st Congress and which passed the House and Senate with only two members voting in opposition. At the heart of the amendments is a requirement to individually assess the needs of each client entering JTPA and to develop a service strategy based on that assessment. I will discuss the proposed JTPA amendments later in my testimony.

JTPA is Successful

JTPA is an important "second chance" program for those who have failed, or been failed by, its first chance education and training institutions. Over 90 percent of Title II participants are economically disadvantaged youth and adults. JTPA provides relatively short-term training and employment services to school dropouts, teenage parents, former substance abusers, welfare recipients, homeless individuals, the long-term unemployed, dislocated workers, disabled people -- in short, those most at risk in society. Through JTPA, more than 3 million people have been placed in jobs throughout the country. The Title II program has had a job placement rate of about 70 percent for adults and positive employment or education outcomes for 74 percent of youth. Over the past two years, approximately 63 percent of adults have been employed at least 3 months after they left JTPA.

The Department of Labor has a long history -- dating back to the Manpower Development and Training Act of 1962 -- of providing meaningful second chance training opportunities and employment assistance to poor Americans, especially women and minorities. JTPA, like its predecessor programs, has made a major difference in the lives of hundreds of thousands of individuals who have been provided the skills and support they have needed to achieve self-sufficiency and economic independence. There are countless stories of barriers overcome and potential achieved through JTPA. Our consistent challenge is to make every program, in every part of the country, and for every individual a success story.

Let me now summarize what our own data show regarding JTPA services nationwide to women and minorities. The data are from the Job Training Quarterly Survey for program year 1989. We regularly provide this information to the Committee on Education and Labor.

JTPA Services to Women

- Adult women are served by JTPA in approximately the same proportion as their representation in the eligible population -- 57 percent of JTPA participants were women versus 60 percent of the JTPA eligibles.
- Forty-five percent of adult women took classroom training as their primary program activity as compared to 27 percent of adult men. Twenty-two percent of the women received on-the-job training while 35 percent of the men did.
- Adult women stayed in the JTPA program longer than adult men (114 days, on average, versus 85 days).
- The rate of placement in unsubsidized employment was 67 percent for adult women compared to 73 percent for adult men. The average wage at placement was $5.21 per hour for women versus $6.00 per hour for men.
- Evaluations of job training programs nearly always show that women, including minority women, enjoy improved employment and higher earnings as a result of these programs. Results are less consistent for men, although this could be due in part to the methodology used to evaluate the programs.

Conclusions

JTPA serves women well, though there is room for improvement. Women are represented in JTPA consistent with their incidence in the eligible population. Placement rates are high by historical standards, but somewhat lower than for men. Moreover, the differential of 13 percent between the average wage at placement is significantly better than the approximately 27 percent differential that exists between men and women generally in the labor market.

Women may also enjoy a distinct monetary benefit because of their relatively higher participation rate in classroom training. Classroom training allows a trainee to increase their basic and occupational skills and to enter the labor market with further credentials. The JTPA data reveal that terminees from classroom training, including adult women, receive the highest wage at placement ($6.01 per hour from classroom training compared with $5.48 from OJT for all adults). The bottom line is that all our studies show that women benefit most from job training programs.

JTPA Services to Minorities

- Minorities are served in greater proportion by JTPA than their representation in the eligible population -- minorities made up 47 percent of JTPA participants while it is estimated that about 42 percent of the population eligible for JTPA services is minority.
- A slightly higher percentage of black adults than whites participated in classroom training (39 percent versus 35 percent). Whites, meanwhile, were more likely to participate in on-the-job training than

minorities (28 percent versus 21 percent). The percentage of black and white adults participating in job search assistance was about the same (22 percent versus 20 percent respectively). Only 14 percent of Hispanic adults participated in job search as their primary activity.

- The median length of stay in the program was approximately the same for minority and white adults -- 108 days versus 113 days.
- Sixty-three percent of black adults entered employment at program completion, 72 percent of Hispanics and 73 percent of white adults. The hourly wage at placement was quite close -- $5.43 for black adults, $5.52 for Hispanic adults and $5.60 for white adults.

Conclusions

While there may be instances of discrimination locally, we do not see any evidence of national trends involving widespread discrimination against minorities. We believe the issue of disparate services for minorities reflects more on the lack of adequate assessment of a client's needs rather than any overt discrimination. Furthermore, as was the case with women, JTPA provides black and Hispanic adults with an advantage they would not have in the general labor market. Historically, minorities earn significantly less than whites in the labor market. Yet the hourly wage at placement under JTPA for minorities is within three percent of that for white adults.

Accurate Assessments

An accurate and objective assessment that provides an effective blueprint for serving a JTPA client is a critical tool because there are other considerations and natural tendencies which may influence service patterns among participants:

- To a large extent, JTPA participants themselves choose the type of training and services they receive.
- Service delivery areas vary considerably regarding the availability of training providers and the types of training that can be offered.
- On average, minorities who enter JTPA Title II-A programs are less job ready than whites. They are younger, less likely to be high school graduates and more likely to be receiving public assistance. As a result, a greater percentage of minorities may need more intensive basic education and training services available in a classroom setting.
- The location of training, services and employment opportunities may affect service selections. A 1988 study of the National Research Council concluded that "essentially all of the national growth in entry-level jobs and other jobs with low educational requisites has occurred in the suburbs, exurbs, and nonmetropolitan areas, all of which are far removed from growing concentrations of poorly educated minorities." Thus, on-the-job training opportunities may exist more often

in suburban communities and not be readily accessible to inner city residents. Accessing such opportunities may be made more difficult if the central city and suburban community are in different service delivery areas.

- Some men may pursue on-the-job training rather than classroom training both because of their limited access to income support and the desire for an immediate pay check. Conversely, AFDC recipients may tend to choose classroom training because they can receive income support while in the classroom.
- The selection of particular types of training may also reflect patterns and perceptions in society at large. For example, women may choose disproportionately to enter clerical occupations and be underrepresented in tool and die making.
- It is also possible that some JTPA service providers may reflect these societal patterns and perceptions and steer participants into particular types of training and employment.

Differential services to women and minorities has been an issue since the very early days of employment and training programs. Over these years, our program's operators have been constantly challenged to identify and administer the mix of services that works best for each individual client. This challenge is made more difficult by the wide variation in employment preparation our clients bring to the program and the relatively short time we have to overcome barriers and make a difference. That is why a key component of the Administration's JTPA reform proposal would improve the assessment process and the quality of training services.

JTPA Amendments

Our legislative proposal is designed to improve the targeting of JTPA programs to those facing serious barriers to employment, to enhance the quality of services provided, to promote coordination of human resource programs serving the disadvantaged, and to strengthen fiscal and program accountability. In general, these features will help ensure that services are equitably provided to disadvantaged women and minorities. In addition, several specific features of our proposal will be helpful in addressing their training and service needs.

Our proposal requires that each individual entering the program receive an assessment of their skill levels and service needs and that a service strategy be developed to address individual needs based on this assessment. The assessment is to consider, among other things, the person's interests and aptitudes for nontraditional jobs and, if appropriate, the service strategy is to include as a goal, nontraditional employment. Where the assessment indicates a need, JTPA programs will make available the requisite basic and occupational skills training. Job search assistance can only be provided when accompanied by other services that are designed to increase a participant's basic education or occupational skills. Individual client data will also be collected on a sample basis which will provide us with valuable programmatic data.

These changes are particularly important for women and minorities and speak directly to the larger issue faced by all job training programs -- identifying those services that work best for various clientele. Services will be tailored to meet individual needs. Options for training and employment in nontraditional jobs will have to be considered. Most importantly, the program will be targeted on those among the economically disadvantaged who are most at risk of long-term failure in the job market, including AFDC recipients targeted under the JOBS program, pregnant and parenting teens, school dropouts, and those who are deficient in basic skills.

These proposed changes to JTPA are critical to ensuring that services have a long-term positive impact on the employment and earnings of participants. We have bipartisan support for these changes and I hope you can support them.

We have attempted through various means to ensure that services are equitably provided to all participants, taking into account their aptitudes, interests, skill levels, and previous experience. Moreover, in instances where discrimination has been identified, the Department has had corrective actions instituted. Let me briefly describe these actions to you.

Enforcement of Legal Requirements

JTPA programs are subject to a variety of equal opportunity and nondiscrimination requirements, including the nondiscrimination provisions of Section 167 of JTPA, Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, and the Age Discrimination Act. In addition, beginning in 1992, JTPA recipients will be subject to the Americans with Disabilities Act.

The Department's Directorate of Civil Rights (DCR) has responsibility for enforcing these requirements and for investigating complaints of discrimination. Within the Department of Labor, the responsibility for ensuring the administrative and operational quality and effectiveness of JTPA programs rests with the Employment and Training Administration (ETA). The Department's responsibilities will be discussed in detail in the testimony presented by Ms. Annabelle Lockhart of the Directorate of Civil Rights.

In addition, the Employment and Training Administration will continue to increase its monitoring of training and employment programs and will review indicators of EEO compliance.

In conclusion, Mr. Chairman, our review of the program's data and our experience do not support the charge of widespread discrimination against women or minorities. Rather, JTPA is a highly successful program. Its record of advancing employment opportunities for poor Americans is unprecedented for any similar nationwide program. Women and minorities are served equitably and succeed better in the labor market than do their counterparts generally. Lastly, our overriding problem is one of ensuring that each client gets the best service -- that which will empower the client to advance in employment and income over the long term. There is no easy prescription for achieving this outcome. Enactment of our proposed JTPA amendments will help us achieve this objective and, we believe, result in improved services to women and minorities.

We will welcome the GAO report when it is completed and carefully study its recommendations. We will continue our commitment to ensuring equal opportunity in each one of our local training and employment programs and are always open to suggestions as to how to better fulfill that commitment.

Mr. Chairman, this concludes my prepared statement. At this time I would be pleased to answer any questions that you or other Subcommittee members may have.

Mr. CONYERS. Thank you very much.

We now welcome the Director of Civil Rights at the Department of Labor, Ms. Annabelle Lockhart. Welcome to the committee.

STATEMENT OF ANNABELLE T. LOCKHART, DIRECTOR, DIRECTORATE OF CIVIL RIGHTS, U.S. DEPARTMENT OF LABOR, ACCOMPANIED BY BUD WEST, CHIEF, DIVISION OF TECHNICAL ASSISTANCE AND COMPLIANCE MONITORING

Ms. LOCKHART. Thank you, Mr. Chairman, members of the subcommittee.

I certainly appreciate the opportunity to discuss the activities of the Directorate of Civil Rights and the efforts that we make to assure nondiscrimination in the programs and activities funded by the Department of Labor and, in particular, the Job Training Partnership Act.

Mr. CONYERS. Would you pull your microphone up as close as you can?

Ms. LOCKHART. Sure.

We have responsibility for enforcement of a number of civil rights laws. I know you are particularly concerned about our enforcement of section 167 of the Job Training Partnership Act. Our responsibility in that regard is carried out in two ways: We process complaints of discrimination, and we also engage in conducting compliance reviews.

In that regard, we have responsibility for conducting compliance reviews of approximately 2,300 local employment service offices, over 1,700 local unemployment insurance offices, over 80 Job Corps centers, and more than 600 SDA's. We also pay considerable attention to the training of DOL grant recipients.

In 1983, consistent with the new federalism concept, which called for a decreased Federal role in State matters, the Office of Civil Rights began a certification process for assuring nondiscrimination in the provision of services under JTPA. This culminated in an agreement with each State level JTPA recipient. Those agreements are referred to as methods of administration, or MOA's, and in fact specifically describe what the States will do to assure that their SDA's and their service providers will do to assure that discrimination will not occur in the delivery of services.

Among the areas covered in the MOA's are such things as monitoring, data collection, physical and program accessibility, discrimination complaint procedures, and corrective actions and sanctions that the State will take should discrimination occur.

The certification process took us approximately 4 years. We ultimately completed the last certification in 1987—that is certification of the last of the 50 States. Upon completing this process, the Directorate focused its compliance activities on the Employment Service, the Unemployment Insurance Program, and the Job Corps centers. In fact, in 1987, we conducted a total of 43 compliance reviews, only one of which was of a JTPA grant recipient.

Since that time, the proportion of JTPA reviews conducted by the Directorate of Civil Rights has increased. In fiscal year 1988, we initiated 36 reviews; 7 or 19.4 percent were JTPA. In fiscal year 1989, we initiated 28 reviews; 6 of those were of JTPA grant recipients. In fiscal year 1990, we initiated 26 reviews; 12 of those were of JTPA recipients.

Since the reorganization of the Directorate of Civil Rights, we have initiated a total of 133 compliance reviews; 26 of those were JTPA reviews.

Let me briefly describe for you what is involved in a compliance review, because I think it is important for you to get a sense of what is involved in the work that we do in this regard. Our compliance reviews are comprehensive evaluations of the recipient's compliance with the laws which we administer.

Recipients are selected for review based on a number of factors, among them being the last date DCR conducted a review in the particular jurisdiction, the demographics of an SDA, the level of program activity in the local area, the number of complaints we may have received against a particular recipient, and, of course, a primary consideration for us is the age of the methods of administration that I referred to earlier.

Once a recipient is selected our compliance review begins with what we refer to as a desk review. It focuses on the analysis of summary statistics that we obtain from the grant recipient. In the case of JTPA recipients, we request placement data that is arrayed by title and by training component.

For example, we ask for information on OJT or on-the-job training and classroom training for individual service delivery areas. We also obtain and analyze termination data, comparing rates of nonpositive termination for each group. These analyses are done to determine if there are significant differences in the participation or the outcomes on the basis of race or sex.

The next step, then, is to conduct the onsite review. The onsite review includes an assessment of the State level equal opportunity policies and their implementation at the local level. Typically, it will include interviews with State and local representatives and a review of the MOA to determine whether or not the State recipient's MOA, as approved by the Directorate of Civil Rights, is in place and whether or not the State is still complying with it.

We also review the SDA's training plans to assess their efforts in assuring the delivery of equitable services. There is an assessment of the recipient's compliance with section 504 of the Rehabilitation Act of 1973, which requires certain program and physical accessibility for participants. We also provide technical assistance on equal opportunity matters that may be required.

During the onsite review, we also assess equal opportunity related policies and directives issued by the recipient, such as procedures for processing discrimination complaints. And, finally, we discuss with the recipient any statistical disparities that were noted based on our analysis of the data they submitted earlier. Specifically, we ask the recipient to provide us with explanations for the disparities, an explanation which must be supported by the record. Interviews with program participants are also conducted.

In our earliest reviews, Mr. Chairman, recipients had not yet set up adequate recordkeeping and reporting systems. In subsequent reviews, data was submitted, but in some cases only after our onsite review had been conducted. Most of the recipients we reviewed in fiscal year 1990 did submit data which we analyzed to identify disparities during the desk review, prior to going onsite.

Recipients who provided usable data were notified of the disparities during the onsite, and, in some cases, recipients also received written communication or notification of the results of the disparities prior to going on site.

Our initial data analyses, in some cases, have shown that in fact men are concentrated in on-the-job training while women are concentrated in classroom training. It's very important to point out here, and—I think the GAO testimony also reflects—that inferences or disparities which occur as a result of statistical analyses do not in and of themselves permit us to conclude that in fact there is a violation of equal opportunity laws or that in fact discrimination has occurred.

In instances where such disparities have been identified, we are in the process of determining whether the disparities were caused by discrimination or by some other nondiscriminatory factors. If discrimination is found, we will pursue appropriate remedies.

Since December 1989, approximately 1½ years ago, when I assumed the position of Director of Civil Rights, we have made several changes in the manner in which the Directorate carries out its responsibilities. These changes were made to improve the efficiency of our process and achieve greater effectiveness. They are now beginning to show tangible results.

For example, DCR's earlier focus was concentrated on conducting as many onsite reviews per year as possible. As I referred to earlier, in 1987 we conducted 43 onsite reviews involving several programs under our jurisdiction. No sooner than staff completed one review, they had to prepare to go out on another review. Quite frankly, I think the schedule was perhaps overambitious and left little time for post-onsite analysis.

As a result, we have developed a backlog of cases. When we were ultimately able to begin our post-review analyses, we found that in many instances records needed to establish conclusively that discrimination may or may not have occurred were not available.

It made no sense to me, Mr. Chairman, that we should continue to conduct onsite reviews and not be able to complete timely post-review activities to determine whether or not a problem exists. Moreover, in my view, if problems are found, they should be addressed as quickly as possible. I therefore curtailed onsite reviews and required that staff immediately address the backlog, focusing on the older compliance reviews first.

As a result, by the end of fiscal 1990, we were able to complete 15 reviews. Prior to that time, we had only been able to complete 16 reviews. Thus far during this current fiscal year we have completed 38 reviews, 4 of which were JTPA reviews. However, the older reviews were not JTPA reviews; therefore, their numbers in the total reviews completed this year are fewer.

The Department of Labor's regulations found in title 29, part 31.8(c), require, among other things, that before the Department can take action against a recipient for a violation of any of the provisions of law, the Secretary must determine that compliance cannot be secured by voluntary means. Consistent with this requirement, we initiated the utilization of conciliation agreements.

In these agreements, recipients make specific legally binding commitments to take actions to correct deficiencies identified during our review process.

The agreement spells out very specifically each deficiency found, the corrective action to be taken, the timeframe within which it is to be accomplished, and specifically provides that failure to comply with the conditions of the agreement would subject the recipient to the initiation of enforcement action. Prior to using conciliation agreements, the practice was simply to have the recipient submit a corrective action plan. The plan would attempt to address the problems that were found.

In addition to conducting compliance reviews, the Directorate of Civil Rights has paid a considerable amount of attention to providing technical assistance and training to JTPA grant recipients. We have conducted a series of very successful JTPA training programs. Specifically, we have provided 1-week, intensive training courses which allow trainees to go through a series of exercises that simulate actual work situations.

We provide them with information about monitoring, about statistical analyses, and other information that they need at the State and local levels, to ensure that discrimination does not occur. The Directorate of Civil Rights, since 1990, has delivered training sessions to more than 300 State and SDA staff persons.

We have made progress, Mr. Chairman, but we want to do more. In fact, we have a copy of a letter from Secretary Martin, which I think is being submitted to Mr. Lantos this morning, which provides that she is very, very concerned about the problems that have been identified by the GAO. She expresses her commitment to ensuring that every program within the Department of Labor's jurisdiction will be free from racism and sexism, and in fact is directing the Directorate of Civil Rights to being immediately to review our process, our management, and the timeliness of the compliance reviews.

[The letter follows:]

U.S. DEPARTMENT OF LABOR
SECRETARY OF LABOR
WASHINGTON, D.C.

July 17, 1991

The Honorable Tom Lantos
Subcommittee on Employment on
  Employment and Housing
House Government Operations
Washington, D.C. 20515

Dear Congressman Lantos:

I understand that the General Accounting Office's preliminary study of service disparities in the Job Training Partnership Act raises questions as to the need for improvement in Departmental oversight of civil rights compliance in locally run Job Training Partnership Act programs.

Therefore, I am asking my Directorate of Civil Rights to begin a review of its processes, management and timeliness of its compliance reviews. Our goal is to see that reviews of all states and localities are done within the shortest possible time consistent with applicable law and regulation. Compliance reviews in all states should be completed within three years.

I am totally committed to ensure that each and every program within the Department of Labor's jurisdiction is free from racism, sexism and all other forms of discrimination. I look forward to working with you to achieve that goal.

Sincerely,

Lynn Martin

Lynn Martin

Ms. **Lockhart**. Again, I support that. I think we have already started to take action to address some of the problems that exist. I am personally committed to ensure that when I leave the Department of Labor we will have a better program, and that the Department's program will be a model program in Government.

We have a long way to go, but I assure you that we will get there. In that spirit, I look forward to the report from the GAO and the recommendations that are contained in that report. I would certainly welcome any recommendations that the committee might have to help us in this process.

Thank you.

[The prepared statement of Ms. Lockhart follows:]

STATEMENT OF
ANNABELLE T. LOCKHART
DIRECTOR, DIRECTORATE OF CIVIL RIGHTS
U.S. DEPARTMENT OF LABOR
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND HOUSING
COMMITTEE OF GOVERNMENT OPERATIONS
U.S. HOUSE OF REPRESENTATIVES

July 17, 1991

Mr. Chairman and Members of the Subcommittee:

I am pleased to appear before you today to discuss the activities of the Directorate of Civil Rights and our efforts to assure nondiscrimination in programs and activities funded under the Job Training Partnership Act (JTPA). With me today is Mr. Bud West, Chief of the Division of Technical Assistance and Compliance Monitoring.

The Directorate of Civil Rights (DCR), within the Department of Labor, has responsibility for the enforcement of several civil rights laws. These include: Titles VI and VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; as well as Section 167 of JTPA. In addition, DCR will have some responsibility for the enforcement of the Americans with Disabilities Act of 1990, which is to become effective in 1992.

In December 1980, the Office of Civil Rights was established within the Office of the Secretary of Labor. Prior to that time, the responsibility for ensuring nondiscrimination by recipients

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of grants from the Department of Labor was performed by the Office of Investigations and Compliance. That office was located in the Employment and Training Administration. On June 1, 1981, the Office of Civil Rights was transferred from the Office of the Secretary to the Office of the Assistant Secretary for Administration and Management. In October 1986, the Office of Civil Rights became the Directorate of Civil Rights. To ensure consistency, all activities associated with assessing compliance with equal opportunity laws by DOL grant recipients were centralized in the National Office.

DCR has responsibility for processing complaints of discrimination and conducting compliance reviews of DOL grant recipients. Our compliance responsibility includes approximately 2,324 local Employment Service offices, 1,768 local Unemployment Insurance offices, more than 80 Job Corps Centers, and more than 600 Service Delivery Areas (SDAs) covered by JTPA. DCR also pays considerable attention to providing technical assistance and training to DOL grant recipients. In addition, DCR has responsibility for the Department's internal equal employment opportunity program that includes, among other things, processing of complaints under Title VII of the Civil Rights Act.

In 1983, consistent with the "New Federalism" approach that called for a reduced Federal role in State matters, the Office of

Civil Rights began a certification process for assuring nondiscrimination in the provision of services under JTPA. This culminated in an agreement with each State-level JTPA recipient. The agreements are called Methods of Administration, or MOAs. They describe what the States will do to assure that their SDAs and Service Providers comply with the nondiscrimination requirements contained in Section 167 of JTPA. Among the areas covered in the MOA are: monitoring; data collection; physical and program accessibility; discrimination complaint procedures; and corrective actions and sanctions.

In 1987, upon completing the MOA certification process, DCR focused its compliance activities on the Employment Service, the Unemployment Insurance program, and Job Corps Centers. For example, 43 compliance reviews were initiated in FY 87. One, or 2.3%, of those reviews was of a JTPA grant recipient. Since then, the proportion of JTPA reviews has increased annually. DCR initiated 36 reviews in FY 88. Seven, or 19.4%, were of JTPA grant recipients. Six, or 21.4% of the 28 reviews initiated in FY 89 were of JTPA grant recipients. Twelve or 48% of the 26 reviews initiated in FY 90 were of JTPA grant recipients. Since the reorganization in October 1986, DCR has initiated 133 compliance reviews. Twenty-six or 19.5% of those have been of JTPA grant recipients.

Let me briefly describe to you a DCR compliance review.

A DCR compliance review is a comprehensive evaluation of a recipient's compliance with each of the laws I have previously noted. Recipients are selected for review based upon consideration of several factors. They include the length of time since DCR's last review within a given State, the demographics of the SDA, and the level of program activity in a local area. We also consider the number of complaints received by DCR against the recipient. In the case of a JTPA recipient, a primary consideration is the age of the recipient's MOA.

The compliance review begins with the desk review which focuses on the analysis of summary statistical data submitted by the grant recipient. In the case of JTPA recipients, we request placement data that is arrayed by Title and by training component. For example, we ask for on-the-job training and classroom training data for individual Service Delivery Areas. We also analyze termination data, comparing rates of nonpositive termination for each group. These analyses are done to determine if there are any significant differences in participation or outcomes based on race or sex.

The next step is to conduct an on-site review. The on-site includes an assessment of State-level equal opportunity policies and their implementation at the local level. Typically, it will include interviews with State and local representatives. Specifically, a JTPA on-site review includes: (1) a review of the recipient's MOA to determine if State systems approved by DCR are in place; (2) a review of the SDAs training plans to assess its efforts to ensure equitable services; (3) an assessment of the recipient's compliance with the requirements under Section 504 of the Rehabilitation Act to provide program and physical accessibility; and, (4) the provision of any technical assistance on equal opportunity matters that may be required. During the on-site review, we also assess equal opportunity related directives and policies issued by the recipient, such as its procedures for processing discrimination complaints.

Finally, we discuss with the recipient the disparities that were noted during our desk review. Specifically, we ask for an explanation of the disparities, an explanation that must be supported by the record. Interviews with program participants are also conducted.

In our earliest reviews, recipients had not yet set up adequate recordkeeping and reporting systems. In subsequent reviews data was submitted, but in some cases, only after the on-site review had been conducted. Most recipients reviewed in 1990 did submit data which we analyzed to identify disparities during the desk review prior to conducting our on-site review. Recipients who provided usable data were notified of the disparities during the on-site. In some cases, the recipients also received written notification of our desk review findings prior to the on-site.

Our initial data analyses in some cases have shown that men are concentrated in on-the-job training, while women are concentrated in classroom training. In instances where such disparities have been identified, we are now in the process of determining whether the disparities were caused by discrimination or by other, nondiscriminatory factors. If discrimination is found, we will pursue an appropriate remedy.

Since December 1989 when I assumed the position of Director of Civil Rights, we have made several changes in the manner in which the Directorate carries out its responsibilities. These changes were made to improve the efficiency of our process and achieve greater effectiveness. They are now beginning to show tangible results.

For example, our earlier focus was on conducting as many on-site reviews per year in the compliance area, as possible. In 1987, we conducted 43 on-site reviews involving several programs under our jurisdiction. No sooner than staff completed one review, they had to prepare to go out on another. Quite frankly, the review schedule was perhaps over ambitious and left little time for post on-site review activities. As a result we developed a backlog of cases to be analyzed. When we ultimately were able to begin our post-review analysis, we found that in many instances records needed to establish conclusively that discrimination may or may not have occurred were not available.

It made no sense to me that we should continue to conduct on-site reviews and not be able to complete timely post-review activities to determine whether problems exist. Moreover, in my view, if problems are found, they should be addressed as quickly as possible. I therefore curtailed on-site reviews and required that staff immediately address the backlog, focusing on the older compliance reviews first. As a result, by the end of FY 1990, we were able to close 15 reviews for that year. Thus far this fiscal year, we have closed 38 reviews, four of which were JTPA reviews. Many of the older reviews were not JTPA reviews.

Title 29 CFR 31.8(c) requires, among other things, that before the Department can take action against a recipient, the Secretary must determine that compliance cannot be secured by voluntary means. Consistent with this requirement, we initiated the utilization of Conciliation Agreements. In these agreements recipients make specific, legally binding commitments to take actions to correct deficiencies identified during the review process. The Agreement spells out each deficiency found, the corrective action to be taken, and the timeframe within which it is to be accomplished. It also specifically provides that failure to comply with the conditions of the agreement would subject the recipient to the initiation of enforcement action. Prior to using Conciliation Agreements, the practice was to have the recipient submit a Corrective Action Plan. Failure to comply with the Corrective Action Plan would not trigger immediate enforcement action.

In addition to conducting compliance reviews, DCR has paid considerable attention to a series of what has proven to be very successful equal opportunity training programs. The latest of these is training under JTPA. Our one-week training course allows trainees to go through a series of exercises that simulate actual work situations. To date, DCR has delivered training sessions to more than 300 State and SDA staff persons. DCR has also designed and delivered equal opportunity training for the Employment Service and Unemployment Insurance Programs, and for the Job Corps.

We have made progress, but we want to do more and do it better. In this regard, we have and will continue to look at our compliance review process in an effort to make it more efficient without jeopardizing the equal opportunity assurance afforded program participants. I intend to make the Civil Rights program at the Department a model program. We have a long way to go, but I assure you, we will get there. In that spirit, I look forward to receiving the GAO report and recommendations. I also would welcome any recommendations you the Members of the Subcommittee may have.

Mr. Chairman, that concludes my prepared remarks. I would be pleased to answer any questions you may have.

Mr. CONYERS. Thank you very much.

We have here a number of conflicting statistics. If I am to accept the statements, particularly from Mr. Jones, I am going to have to go back over your testimony and pull them out and send them to you in a separate question. But did you suggest that women ended up earning more than males at the conclusion of some of these programs?

Mr. JONES. No.

Mr. CONYERS. You did not?

Mr. JONES. Mr. Chairman, the classroom training, which is the predominant category, I think, that they pointed out that women were in versus OJT has a higher placement rate—wage at placement as an activity than does OJT. If you or I were going to choose which one to go into for the maximum benefit, you would choose classroom training.

Mr. CONYERS. We don't have your statistics. That's the problem.

Mr. JONES. Yes, sir. We submit those to the Congress every quarter when they come out. We will submit them to this committee, all the ones I have used.

[A copy of the Department of Labor's July 1991 report is available from the files of the Employment and Housing Subcommittee.]

Mr. CONYERS. Because we have the men earning more in both 1988 and 1987, and these are your statistics, as well.

Mr. JONES. If you look at men versus women, or the other cross categories, you will consistently see that clients in classroom training are earning more on average when they come out of these programs.

The question is, by activity, since the claim has been made that it is disproportionate for women to be in classroom training versus OJT, we are simply suggesting that we ought to be careful before we make that judgment, because the wage at placement, for people coming out of classroom training as an activity, is higher than it is for OJT or for job search or for other activities.

Mr. CONYERS. Well, I'm just citing you your figures here that say males, July 1988 to June 1989, $5.26 an hour for males; $4.77 for females, and comparable figures in which males earn more than women. You're saying that that's not the case.

Mr. JONES. No, sir. No, sir.

Mr. CONYERS. You agree with these figures?

Mr. JONES. Those figures are for all males, all females, across the whole program.

Mr. CONYERS. Right.

Mr. JONES. And there is no question, for each of the years, that when you do that, males clearly earn a step ahead or are placed a step ahead of females coming out of the program. We are talking here about the issue of classroom training.

Mr. CONYERS. Well, classroom training, we still have males earning more than females, according to your own statistics, which is the next line down. Classroom training: Males $5.67; females $5.13, in 1988. Males $5.50; females $4.83, in 1987.

Mr. JONES. Again, Mr. Chairman, we don't disagree, and those data are probably correct, if you are looking at just males versus females within the category. The point that I made, which I think is a very important one is when we go to the issue that the GAO report has pointed out, is that it is a disadvantage to be in classroom training if you are a female.

And my suggestion is that before we make that conclusion we ought to be aware that the placement wage for people coming out of classroom training, men or women, is higher than it is OJT or the other services. So from the standpoint of choosing which service to be in, it may not be disproportionately a disadvantage for females to be in classroom training.

Mr. MARTINEZ. Mr. Chairman.

Mr. CONYERS. Then I don't know why we have these figures, and you are telling me that there is another distinction that works out to the advantage of females.

I yield to the gentleman from California.

Mr. MARTINEZ. I may be all wet, but here is a point, at least as I am seeing it.

In order to counteract the argument that the GAO makes, without taking the full argument that the GAO is making, in saying that women and minorities are traditionally pushed into lower-skilled training, which results in lower-paying jobs, and that women, in many cases, are directed toward those traditional jobs that women take, clerk-receptionist, whatever you might include in that whole category of jobs that are traditionally underpaid or less paid than other kinds of nontraditional work for women that they could certainly qualify for and go into, you have to take the whole picture, Mr. Jones, of what the GAO is saying, not just isolating on—it's like our colleague from Cincinnati who was the mayor said, you can do all kinds of things with statistics to either escape critical judgment or to make things seem in a better light.

What you really have to do is keep the total picture in mind in what the GAO is suggesting. I really believe the GAO is right, especially from my area. That's why I asked about Los Angeles where there is a predominance of both minorities, black and Hispanic, and Asians, and women, and that they are in—what escapes them even in that is what I was trying to point out, that even there, because I have seen it on a personal basis.

I have visited many of those sites, that women and minorities are traditionally pushed toward the lesser-paying jobs. Like take this training—this service provider provides training for mechanics, not training for computer processor. You see what I mean? This woman, train her for clerk-receptionist rather than for computer programmer.

Those are the thing that are happening that we are looking at and not just simply classroom versus on-the-job training. If you isolate on that, then you come up with the conclusion that you came up with.

What we are trying to do is get beyond that to the point that—very subtle—if you certainly say that we are training a lot of Hispanics, or blacks, or minorities, or women, that probably is the truth in those areas where they are predominant. But the point is not that, the point that, if they are being pushed into these kinds of training roles to lead to this lower-paying job, then there is a very subtle present discrimination.

If we could come together on that one idea, then we might start together, in unison, try to correct this problem that really does exist out there.

Mr. CONYERS. Well, reclaiming my time, I wanted to ask the Civil Rights Director about the new federalism. What's your opinion on it, and how does it affect your duties?

Ms. LOCKHART. Well, Mr. Chairman, that reference was to the concept of permitting States the opportunity to determine how best to run the program while ensuring nondiscrimination. We did not totally say, OK, you have the moneys, there is a provision in the law which says you're not supposed to discriminate, so it's in your court.

What we did was to engage in a process, a very lengthy process, to assure ourselves that in fact the States had put in place certain systems which would permit them to assess whether or not discrimination was going on in the delivery of services.

As I mentioned, the State had to provide assurances to the Department on a number of things. They had to assure us that they had recordkeeping systems, that they would have an EO person designated to monitor the systems, that they would engage in monitoring, that they would have nondiscrimination provisions in their contracts, and that they would have discrimination complaint procedures.

There are host of things that we discussed with the States and got assurances on and certified. Once we were presented with sufficient evidence that these things were in place, that the States in fact could carry out their responsibilities to ensure nondiscrimination, they were certified.

Mr. CONYERS. Could you agree that it might mean also less oversight? I mean, we are talking about assurances in writing and declarations, but what it boiled down to me is that they were—and I think this is in keeping with any description of the new federalism—it means freeing up the employers and the State and the local JTPA's to do their thing, which is kind of what brings us all here today.

Have you ever found discrimination in a JTPA operation?

Ms. LOCKHART. As a result of compliance reviews, no, we have not.

Mr. CONYERS. Have you ever found discrimination based on race in a JTPA review?

Ms. LOCKHART. As a result of a compliance review, we have not. But let me clarify, if I may.

Mr. CONYERS. One other little question that goes along with it: Have you ever found discrimination in JTPA based on gender?

Ms. LOCKHART. We have found inferences, as a result of our reviews, of discrimination, just as the GAO has found inferences. I don't know—part of the problem we have is going behind the inferences of discrimination to be able to determine conclusively that there is discrimination.

Mr. CONYERS. So the answer is no on gender? I mean, you haven't ever concluded——

Ms. LOCKHART. Not as a result of a compliance review. We have found, as a result of a complaint, an individual complaint filed, some discrimination.

Mr. CONYERS. I will recognize Ms. Ros-Lehtinen about this.

But what I am beginning to get a connection is between your application of the new federalism, as you see it, which to me relates to less oversight, and the fact you have never found discrimination. It has never been able to be proven. I think that that's one of the big problems that we are going to be looking at more carefully.

I think the Secretary of Labor has encouraged us greatly, and I am satisfied that we are all going to be reviewing this program. I am going to be looking at the legislation that you have referred to, Mr. Jones, but what I would like to see is a little bit more vigorous responsibility out of the Civil Rights Directorate. We have a study that shows that only 26 States have been surveyed and 26 service delivery areas on JTPA since 1987. Only seven cases have been completed; 19 are pending.

That raises the question of a new federalism taking us backward instead of moving us forward. It also raises, at the same time, the fact that you have the same problem collecting the information that GAO does, that this information is not readily accessible, or else I might conclude that you are not getting the kind of cooperation that you ought to get from these institutions within JTPA.

Would you comment on that, please?

Ms. LOCKHART. Certainly. I think I would first like to address how I perceive the new federalism. I certainly do not see—and my reference was not intended to mean or to be interpreted as any kind of relinquishment of responsibility at the Federal level to engage in oversight. I think my interpretation of the new federalism is a partnership—a placing of responsibility not only on the Federal Government, but on the State and other recipients of the moneys that the Federal Government has given.

So in our initial attempts to deal with how we were going to try to ensure nondiscrimination, we engaged in activities to say, "OK, States, you, too, must tell us and you must put in place some things to help us to ensure that you taking responsibility to ensure nondiscrimination, for starters." So no, I don't see the new federalism as a relinquishment of our responsibility.

Mr. CONYERS. Let me yield to the gentlelady from Florida.

Ms. ROS-LEHTINEN. Thank you, Mr. Chairman.

Following up on the very good question that you asked about whether there was an instance of discrimination, I think that, reflective of the GAO study, it would perhaps be better put if we say, do you believe that there is a pattern of discrimination in the JTPA program of not serving blacks and women equitably?

Ms. LOCKHART. It is impossible for us to conclusively State that there is a pattern of discrimination, because we come again to what statistical analyses infer as opposed to having information that supports the fact that the disparities that exist are not caused by other than discriminatory reasons. Certainly, there are inferences of discrimination that we have found, disparities that we have found in our reviews, which indicate that there might be some problems which may be caused by discrimination.

But I don't think that I can go on record and say that there are widespread indications of discrimination.

Ms. ROS-LEHTINEN. If I could have Mr. Jones answer that as well. Thank you.

Mr. **Jones**. No, I don't believe there is evidence here that suggests a widespread pattern of discrimination. I think that the basic data suggest to the contrary. I think there are two things: One, there is clear evidence, from the GAO studies and others, that we have a high disparity of data at an SDA level as we look across the country, and it causes us to ask why, legitimately, and to determine what causes that and what we ought to do to remedy it.

And it clearly can be, in those cases, that discrimination, either in or outside the program, is a part of the reason. I guess my basic point is, there is also a variety of other things here that would have great impact on that happening, and I just think we need to be careful before we make that ultimate conclusion.

Mr. **Conyers**. Could I ask you whether or not it is correct that title VI, section 504 is the Department of Labor regulation that involves discrimination complaints from JTPA?

Ms. **Lockhart**. I'm not sure I understand the question. Whether or not title VI——

Mr. **Conyers**. The JTPA regulation states that complaints of discrimination are handled under the Department of Labor's regulations for title VI and section 504.

Ms. **Lockhart**. That's correct.

Mr. **Conyers**. We agree on that?

Ms. **Lockhart**. That is correct. 29 CFR Part 31 deals with the title VI types of discrimination. The handicapped discrimination regulations, which emanate from section 504 of the Rehab Act, are found in 29 CFR Part 32——

Mr. **Conyers**. OK. Answer yes.

Ms. **Lockhart**. Yes.

Mr. **Conyers**. OK. Under these regulations, the Department of Labor must obtain assurances of compliance at least for race, color, national origin, and handicap from its recipients. The Secretary must also accept and investigate complaints. Now, here comes the tricky part. If compliance cannot be achieved voluntarily, the Secretary must initiate actions to terminate Federal financial assistance to the recipient or refer the case to the Attorney General with a recommendation for enforcement.

Now, does that come out of your shop?

Ms. **Lockhart**. Yes.

Mr. **Conyers**. And we have no instances of any of these matters of alleged discrimination reaching this kind of action?

Ms. **Lockhart**. No, because you must have a determination that discrimination exists before the Secretary can turn the matter over the Justice Department for enforcement activities or termination of funding, which is the ultimate sanction.

Mr. **Conyers**. But the Secretary accepts and investigates the complaints, and that's assigned to you.

Ms. **Lockhart**. Yes.

Mr. **Conyers**. So the Secretary can only act on what you present to her in the present instance.

Ms. **Lockhart**. That's correct.

Mr. **Conyers**. Let me try this: Is it correct that, similarly, State JTPA agencies are required to conduct their programs to ensure that they and those with whom they contract do not discriminate on the basis of race, color, national origin, or handicap?

Ms. Lockhart. Absolutely correct.

Mr. Conyers. And then recipients must provide notice to their beneficiaries and make information regarding the regulation and its applicability to the JTPA program available to the beneficiaries and the recipients.

Now, we meet here this afternoon not sure of whether there is a pattern of discrimination on any of these fronts. We have never had any case involving JTPA go to conclusion, and yet we have never found discrimination even a single instance in any of the 600 or more JTPA's across the country. Yet we have GAO, even at this point, and we brought them forward before the conclusion of their report so that we could get in front of the legislation, we are having a very unsettling, disquieting indication of disparities that suggest that there may be some form of discrimination. They were very careful to refine their comments to say, we are not talking about legal discrimination in the classical sense.

So what I am finding out now is that you have only surveyed, since 1987, a small number of cases. Many of the questions, the complaints that you have out, have never been responded to. As a matter of fact, with many of the States, we don't know how they will respond. They may make it easy for you by just saying that "In this we are in error, and we are trying to correct it." But you are in the same problem that GAO is, that we don't have a sufficient system set up that gets to the question of who is in compliance and who isn't.

That raises a remedy that I suggested earlier that I would like your comment on, the need for a common software system, computer compatibility of data, to collect that at the State and Federal levels to be able to more efficiently access the program. Would that be of a major benefit to you at this point?

Ms. Lockhart. Well, Mr. Chairman, certainly the availability of data would be very useful to us. I must say we have had some of the same problems that the GAO has had, particularly in the earlier reviews that we conducted. We are finding, however, that in the more recent reviews, we are able to obtain information from the SDA's.

Unlike the GAO that sought only to obtain the information from the States, our MOA's require the States to require their SDA's to maintain the information. So when we go out on a review and we want to review a particular SDA, the State has the responsibility for ensuring that in fact that SDA would have the information. We are finding that of the reviews conducted between fiscal year 1989 and 1990, 18 reviews, in total, 15 of those SDA's were able to provide us with information.

So I think it would be useful to have something that is consistent, but——

Mr. Conyers. Is there anything wrong with just asking everybody to supply you the information in one basic communication that goes out.

Ms. Lockhart. Well, we certainly would love to have information, but I think there are certainly other factors that are involved such as the cost of providing that type of information. That would be a programmatic issue that I think Mr. Jones would probably be better equipped to handle. Certainly the States will say, "Well, we'll provide this information. Who's going to pay for it?" There is a cost figure attached to it.

Mr. CONYERS. This is information to determine whether the law is being complied with. Has anyone ever written you back and said, "We'd love to do it, but who's going to pay for it? And until then, sorry, we can't help you." Have you got a letter that comes close to that?

Ms. LOCKHART. Not from a JTPA recipient, no.

Mr. CONYERS. Right. Well, what I'm saying is that this isn't a kind of a voluntary recreational inquiry. It would seem to me that to find out where everything is that there be one basic standard, simple set of information that you said was part of the new federalism, in which we made the States partners, and that we could get to everybody on the same form. You don't want different information from any SDA; you want uniform reporting of the data.

So it seems to me that what I am hearing, in between the discussion, is that we don't have a way of getting the information. Some of them don't have a way of putting it together, and that that calls for the kind of problem that we were discussing; namely, that we don't have a uniform system that is in place. Some can access information; some can't. And that's why we have the kind of figures that show up in terms of who has been reporting to you.

Would you agree that that is essentially a fair statement?

Ms. LOCKHART. Certainly, I think if we can get uniform information it would be useful.

Mr. JONES. Mr. Chairman, let me just add one thing here that I think is important to this earlier discussion. There is a disconnect between this issue GAO raised in trying to collect that kind of data at the State level. It is required in current law that all SDA's have all that information, maintain it by whom they serve, by crosscuts, by every other way, today.

Mr. CONYERS. But they aren't able to—well, why don't they send it in?

Mr. JONES. They clearly have not aggregated it in those various cuts that way at the State level.

Mr. CONYERS. Well, it's no good. I mean, if it is put in in a way that is not effective, then we are not serving our purpose.

Mr. JONES. I am suggesting to you, along with Ms. Lockhart and everyone else, that the issue probably is not the original source or the form as much as it is the process that has been put in place to mandate it at all levels. And we agree with that. We have made recommendations to the committee on our changes that are going to be put forward to both get that kind of data nationally to look at it, but also in mandating what the State will collect and what they won't. We agree with you from that standpoint.

Mr. CONYERS. We have reached some form of agreement here, and now it's where we go forward.

I am going to yield briefly to the gentleman from California then relinquish my time to the gentlelady from Florida for her questions.

Mr. MARTINEZ. Bob, you know we did work on this when the bill was introduced.

Mr. JONES. Yes, sir.

Mr. **Martinez**. We wanted to try to compile this information, because it was absolutely necessary to have it to make the kinds of decisions you have to make. Actually, though, the Department could do it be regulations except that the OMB would probably object to it; right?

Mr. **Conyers**. You don't want him to say that on the record, do you? You know what that would mean.

Mr. **Martinez**. So we are left with the necessity to do it legislatively; right?

Mr. **Jones**. Well, no, I think, on this particular issue, there is a fairly good conversation amongst all of us, the members of the committee, DOL, and OMB, and everybody else on making some changes in the whole sequence. In a couple places, it's data; a couple places, it's who keeps what and where it's reported to make certain that we have what we need on all those issues.

And then the only issue that ever overrides that is not the collection of the data, nor the cost element in that. We should never get into that argument. It is the reporting of it. It's whether you need to have the formalized reporting and whether that's important, or whether you need it there, as GAO did, so they can get it when they ask. That's really the only debate. I think you will find more commonality——

Mr. **Martinez**. Then if we come up with it legislatively, since we're all working together, the OMB nor the Department of Labor would object to that kind of legislation?

Mr. **Jones**. Well, I assure you—let's put it proactively—that we're working with the committee right now on some data questions that we think are important in that sequence, and we would welcome your direct input and we will all sit down and discuss it. And because we are trying desperately, and so is Mr. Ford, to do this on a bipartisan basis, we are all going to agree up front.

Mr. **Conyers**. Well, I think you have touched another important party in this; namely, OIRA—Office of Information and Regulatory Affairs and OMB, with which we frequently run into problems. And I'm very happy that these officials from a Federal department did not answer your question, because those guys are pretty rough down there in OMB on these things. And we have to begin to honestly examine it. I'm glad that your committee and ours are all working together.

I recognize Ms. Ros-Lehtinen.

Ms. **Ros-Lehtinen**. Thank you, Mr. Chairman

I would like to ask a couple of questions the about proactive aspect of the Department, what you are doing, what are some of your initiatives, for example, to promote employment of women in nontraditional jobs. We had discussed about whether women have a tendency to seek training in clerical jobs because of traditional societal patterns, and I don't know how responsible the Department of Labor is to have to undo decades of traditional work force and have you undo this pattern overnight.

But certainly something can be done to stimulate interest, especially—I'll speak as a woman—to seek interest in seeking nontraditional jobs. Can you tell me if the Department has undertaken any initiatives in this?

Mr. JONES. Yes, ma'am. Let me go back once again and suggest that probably the most important thing we can do in this legislation is what the chairman has already spoken to, and Mr. Martinez has spoken to, all of us have, and that is to require an assessment of individual people and a service strategy so we can see up front, and local programmers can see, what people's needs are and where they are going to put them. That's a foundation from which everything else occurs.

In the JTPA amendments that we have put forward, we have also suggested that every individual entering JTPA be assessed and that their interests and aptitudes for nontraditional training be indicated in that assessment directly. So we have raised the issue up front, before you even get to the service strategy. We need to raise the issue of nontraditional, nonstructural training with people, assess it, put it on the record, so we can then deal with what happens.

We have done a number of things. Recently, we split the authority and moved OFCCP and some other folks into the issue of examining our apprenticeship programs for nontraditional occupations, where we have a major issue of people being categorized one way or another. We fund women in the building trades programs, and operating engineers in training apprenticeship programs, and construction craft skills.

We have a targeted outreach program for women into all our programs, Job Corps, JTPA, and other programs, all focused on nontraditional kinds of occupations. We have begun to put out a fair amount of publicity on a broader range, not just a program range, on those sorts of issues.

So we start back from the assessment, raising the nontraditional issue and the training and demand issue and options, and then we move it all the way through the process.

Ms. ROS-LEHTINEN. Also, what proposed amendments will be before us that perhaps may strengthen services to minorities and women? Do you have any JTPA amendments that you believe will serve the purpose of trying to undo this?

Mr. JONES. The most important sequence here is the assessment and the service plan that in effect says, regardless of race or anything else that we are going to provide the services and the sequence of services that those people need. We could go back very easily, from a followup standpoint and look and see what that plan says and what the assessment says and whether they did it, and then, second, that the program—and this is, I've got to say, major structural stuff here.

The program then has to have those services available. In a JTPA program that ranges in California—Congressman, as you know—from an SDA that is 47,000 or 50,000 to some very large ones, it is very tough to be sure that you have all those services, such as literacy training, skills training—including nontraditional assessments, and placements available. This is very expensive and very hard to do.

The requirements under those amendments say you have to have access to those services, whether you do it directly through JTPA funding or through JOBS, welfare, vocational education, and some other things. That's going to cause that system to do the assessment, to do the service plan, and then to have the services there. And the data are going to be reflective precisely of how that happens.

In that case, when those amendments pass, and I believe those items—Mr. Martinez can reflect on this, but those particular items are not in debate in any way at all that I know of—when those things pass, it means you are going to have a very specific track record of not just statistics. I agree with everybody's comment here that we can all play with statistics. But you are now going to have the ability to look at an SDA and determine whether or not we are maximizing services to the people in the way they need it.

Then, for us, more importantly, there is another issue that we are not putting the wrong people in the wrong place, which is one of the abuses that we have had.

Ms. ROS-LEHTINEN. Let me ask you—Mr. Chairman, just one more question—a broader question: Do you believe that the JTPA is an effective program, and do you believe that it is effective in reaching out and helping women and minorities?

Mr. JONES. I believe that—a couple of comments have been made today that I think are absolutely true. JTPA is clearly by and far the most successful program like this that we have ever managed to put in place. It is far more successful than CETA was or any of its predecessors, in terms of placement rates, in reaching out to people across the country.

It has proven itself to be effective for women and minorities in the gross. We may well have problems locally, but in the broad program it has clearly proven itself to be that. Also, the beauty of this particular program is that it is not an institutionalized old structure. And it does allow for debate like the one we are having here and for us to sit down and to tinker and try to figure out ways to address these issues without having to change old institutions.

I think that is one of the reasons why the changes in that legislation are going to take place and allow us to further improve it one more time.

Ms. ROS-LEHTINEN. Thank you.

Mr. CONYERS. I want to thank the gentlelady for her questions. I think they contribute to our working toward a resolution.

The gentleman from California, Mr. Martinez.

Mr. MARTINEZ. Thank you, Mr. Chairman.

Because the time is late and because we have held you here a long time and we need to get this over with, there are a lot of questions that I would like to ask, and the chairman has agreed to leave the record open, and some of those we will submit to you and you can respond by letter or note.

But one thing that has troubled me for some time, and you know about it, is the lack of development of regulations for the antidiscrimination provisions in the JTPA law. The law itself has, in 167, quite a number of paragraphs that lay out exactly what we were trying to do in that arena, and yet the regulations that have been passed to date in your published regulations are two paragraphs, one sentence each:

"Recipients. SDA grant recipients, Title III, substate grantees and others, subrecipients, shall comply with the nondiscrimination provisions of Section 167 of the Act." And then is says, pursuant to—regarding the training of people in sectarian activities is prohibited.

We have known that for at least the past 7 years that there have been regulations. As I understand, they were over at OMB. Are they still there waiting for approval? Are they still there? Are they coming back to us? What can we expect? What are the regulations? How extensive are they? What is included in them?

Now, all of these questions you don't have to answer right now, extensively; you can do it briefly. Give me an idea what's happening there, and then respond to me extensively in however form you want to do it later. But, really, the basic question is, where are they now? Are they hopefully comprehensive enough to allow those people out there in reading them to understand that we don't want discrimination, subtle or otherwise, in this program?

Ms. **LOCKHART**. If I may, the regulations for the implementation of the nondiscrimination provisions of JTPA are part of a comprehensive package that has been under consideration for a period of time.

Mr. **MARTINEZ**. Seven years.

Ms. **LOCKHART**. Plus.

Mr. **CONYERS**. Yes.

Mr. **MARTINEZ**. Well, I'm being generous.

Ms. **LOCKHART**. As a result, there have been a number of changes, new laws that have come into play, that call for some revisiting and further modification. They are still under review, and I'm not quite certain that I can say when we expect that they will be approved.

Mr. **MARTINEZ**. Why hasn't the administration of DOL pushed these people to come up with these regulations? Because, you know, it is dependent on those to give guidance to the States. To date, the States haven't gotten guidance on 167.

Ms. **LOCKHART**. All I can say, Mr. Martinez, is that the regulations have been approved by the Department of Labor. They are under review outside the Department of Labor, and we basically have no control as to the timing of when we are going to get approval.

Mr. **MARTINEZ**. Well, see, one of the things that leads to is your lack of ability to really do—although you, in your testimony, profess to be doing an outstanding job, but let's put it in real terms.

In compliance reviews of 2,000 service providers, at a rate of 12 per year, which was only in the last year, because over the 4-year period it has been an average of 6½ per year—and I understand you have a staff of 60, and, at some point in time, I would like you to explain to me what do those 60 people do when they have all of these—and why only 60, and if you need more—when you have all of these 600 service delivery areas, you have Job Corps, you have 1,700 local employment insurance offices, and all of that monitoring you have to do.

What it relates to back to this is, if you really equate it down, at 12 per year, if you did 12 per year, that's 500ths of 1 percent—500ths of 1 percent. Now, you know, it's like a cop on the corner. You don't break the law when a cop is on the corner. But if these people aren't aware of your presence and what you are doing, then they are doing all kinds of things, and you are only going to find out about it upon complaint. And a complaint, I guarantee you, is only the tip of the iceberg.

So we need to move ahead with those things.

Ms. LOCKHART. Let me just clarify for you, Mr. Martinez, that your reference to—I think it's important to understand that in the Directorate of Civil Rights we have responsibility not only for enforcing the discrimination laws pertaining to grant recipients, but we also have responsibility for the Department's internal EEO complaint process and compliance with title VII.

Mr. MARTINEZ. Well, that's what I was leading to when I was naming these other agencies and things.

Ms. LOCKHART. So the reference to the over 60 FTE's are not all attributed to the external compliance process. We have 32 FTE's related to the title VI or external program, half of which—well, in fact, only 12 FTE's are attributed directly to the compliance process.

Now, certainly, one would ask why aren't you asking for more staff? I think that's always suggested as the quick fix for dealing with problems. We have started to look at our process. We have started to look at the way we do business. I think we certainly can refine our process.

One of the problems that I have right now, and it is particularly troublesome, is that we have just recently received indications of the budget mark for the next fiscal year, and I understand the Department of Labor is probably going to be subjected to a 1.8 percent cut across the board. It would be important for us not to have to be concerned about budget cuts and to be able to proceed with our current activities.

There are other things that we have started to look toward to help us to be more effective in this program.

Mr. MARTINEZ. Well, Ms. Lockhart, I am sure that you will find that this committee and this chairman, Tom Lantos and Chairman Conyers, would be more than eager to help you in any way we can to get to the point where we can eliminate this kind of discrimination, subtle or otherwise, in this program. I am sure that we would be willing to push for more enforcement people, if you provide the case that you need them.

Mr. CONYERS. I want to thank my colleagues for staying to the conclusion of this hearing.

I close first of all, by expressing some surprise that we have waited more than 7 years for some regulations defining the civil rights responsibility here. I would direct your attention to OIRA and OMB, which has frequently restrained departments within the Federal Government from accomplishing this.

I also want to remind you, Mr. Jones, that it was, again, OMB that prevented the Department of Labor from collecting the information on post-training experiences of JTPA enrollees for 3 years, until 1986. And all of this figures into us having this very unclear picture of what's happening. So I consider this hearing very successful in bringing to the fore a lot of these issues. I am going to begin studying this with much more scrutiny than I have in the past.

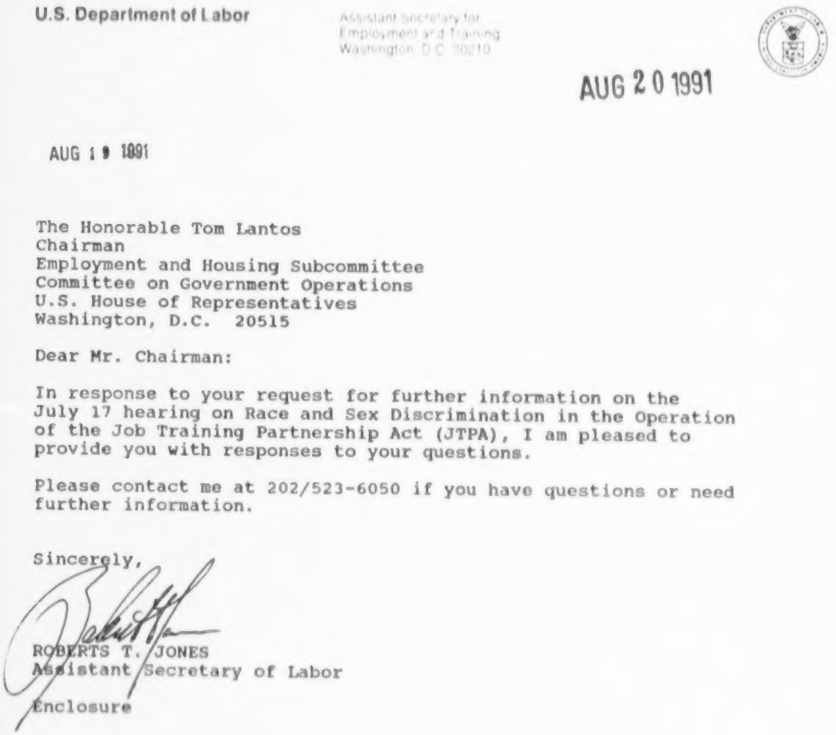
I thank you very much, both of you, for your cooperation and your attendance and the long number of hours we have spent on a very sensitive and complex problem. I will leave the record open for Mr. Lantos and others of us who will be submitting questions to you that we will ask you to return and will be included in the record.

Again, my thanks to all of you. The subcommittee stands adjourned.

[Whereupon, at 1:46 p.m., the subcommittee adjourned, to reconvene subject to the call of the Chair.]

APPENDIXES

Appendix 1.—Questions and Answers for the Record, Robert T. Jones, Assistant Secretary for Employment and Training, Department of Labor



U.S. Department of Labor

Assistant Secretary for
Employment and Training
Washington, D.C. 20210

AUG 20 1991

AUG 19 1991

The Honorable Tom Lantos
Chairman
Employment and Housing Subcommittee
Committee on Government Operations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In response to your request for further information on the July 17 hearing on Race and Sex Discrimination in the Operation of the Job Training Partnership Act (JTPA), I am pleased to provide you with responses to your questions.

Please contact me at 202/523-6050 if you have questions or need further information.

Sincerely,

ROBERTS T. JONES
Assistant Secretary of Labor

Enclosure

FOLLOW-UP QUESTIONS
TO
EMPLOYMENT AND HOUSING SUBCOMMITTEE
HEARING ON
RACE AND SEX DISCRIMINATION IN THE OPERATION OF THE JOB TRAINING PARTNERSHIP ACT

Question # 1:

In my opening statement I made reference to a 1988 study by the Chicago Urban League which found "evidence of differential patterns of service and job placement for white, black, and Hispanic JTPA participants" and that "the on-the-job training, where private employers exercise considerable discretion in who is chosen, shows clear biases towards whites." I also cited a 1988 report by the Women's Action Alliance in New York City. Did the Labor Department initiate any actions in response to either of these studies?

Response to Question # 1:

The two reports that you cite were not submitted to the Employment and Training Administration (ETA) for review or comments when they were published. We have recently obtained copies of both reports and reviewed them. Our initial reaction to the recommendations contained in the reports is that we have addressed many of the generic, system-wide issues in our legislative proposal to amend the Job Training Partnership Act (JTPA).

Our legislative proposal would revise JTPA to improve targeting of JTPA programs to those facing serious barriers to employment, enhance the quality of all services provided -- including on-the-job training, promote coordination of human resources programs serving the disadvantaged, and strengthen fiscal and program accountability.

As the Women's Action Alliance recommends, our proposed legislation eliminates basing incentives grants on exceeding the performance standard on costs. We are also proposing that more funds be available for supportive services such as child care and transportation. As the Urban League recommends, we are curtailing job search assistance unless it is offered with other services or the client's assessment indicates that no other activities are appropriate.

The legislative proposal requires that individuals receive an assessment of their skill levels and service needs and that a service strategy be developed to address individual needs based on their assessment. If appropriate, the service strategy may target nontraditional employment as a goal. All of these steps reflect the Department of Labor's and the JTPA system's commitment to offer women, minorities and others with special barriers to employment quality services that lead to improved employability and self sufficiency.

We recognize that there are a number of other issues that are of concern to the Chicago Urban League and the Woman's Action Alliance. We would be happy to meet with these organizations and others to discuss specific problems and recommendations.

Question # 2:

How would you rate the performance of the Labor Department's Directorate of Civil Rights during the past 5 years in assuring nondiscrimination in programs and activities funded under the JTPA?

Response to Question # 2:

The Employment and Training Administration (ETA) and the Directorate of Civil Rights (DCR) have a positive and constructive working relationship. We look forward to strengthening this relationship to assure nondiscrimination and equal opportunity in all programs and activities funded by the Job Training Partnership Act.

Question # 3:

Can you state categorically that bias does not exist in terms of the number of JTPA participants receiving specific services, or for example that in many SDAs, black males, regardless of their individual needs or job readiness, receive fewer and less intensive services than white males?

Response to Question # 3:

As I stated in my testimony, our data do not suggest there is overt or systemic bias in the JTPA program. I cannot rule out, however, the possibility of isolated instances of bias. I can assure you that ETA will take immediate and decisive corrective action if a situation of deliberate and unequal services were to be identified.

Our strongest tool to prevent discrimination is to ensure that each client get the most appropriate services tailored to his or her needs and circumstances. I am confident that enactment of the proposed JTPA amendments now before the Congress will help us achieve this objective.

Question # 4:

Is "creaming" -- the preference for individuals who are easy and inexpensive to training and place -- a problem in the operation of the JTPA program?

Response to Question # 4:

A major criticism of JTPA has been that it has not adequately focused on those most at-risk of long-term failure in the job market. ETA's legislative proposal to amend JTPA addresses this criticism in several ways by:

- Revising the eligibility criteria to ensure that JTPA serves those with particularly significant barriers to employment;
- Changing the funding allocation formulas to redirect funds to areas with greater numbers of the disadvantaged population; and
- Authorizing a new Youth Opportunities Unlimited (YOU) Program, targeted on youth living in urban and rural areas with high poverty, that would stimulate community-wide action to improve opportunities for youth.

These changes, along with the establishment of separate adult and youth programs, will help the JTPA system better target to the most at-risk and avoid the problem of "creaming."

Question # 5:

In your testimony you note that JTPA is a "second chance job training" program. How is it targeted to the most needy rather than to those who meet the general eligibility criteria?

Response to Question # 5:

Under current law, an individual must be economically disadvantaged to be eligible for JTPA. There are no specific targeting provisions in the law. Our legislative proposal requires that in addition to being economically disadvantaged, 65 percent of adults and youth must have a specific barrier to employment, including, for example, being a school dropout, disabled, or being deficient in basic reading or math skills.

The General Accounting Office, in its May 9, 1991 testimony to the House Subcommittee on Employment Opportunities on amending JTPA, stated that 71 percent of JTPA participants may have one or more of the barriers identified in our proposal. GAO's figure is a national average. Our proposal would set a floor in every Service Delivery Area. We would expect this requirement to significantly increase the 71 percent figure of JTPA participants having an additional barrier to employment reported by GAO.

Question # 6:

Your note in testimony that the issue is to "identify the most effective service" for clients. What is your definition of effective?

Response to Question # 6:

An effective service for a JTPA client depends, in large part, on the individual's work experience, education, skill levels and personal circumstances. These factors must be viewed in the context of the local labor market.

Effective services respond to the client's needs. For some individuals who need work experience or immediate income, the most appropriate service may lead directly to jobs. For others remedial education and occupational training may be a more effective service strategy. It is misleading to assume that one service, such as on-the-job training or classroom training, or a particular sequence of services is more suitable for all clients.

We would emphasize the importance of providing each client with an assessment and developing a service strategy based on that assessment. Effective services get the right people in the right services for the right reasons.

Question # 7:

In your statement you note suburban growth as one factor which can affect the client service population. What data do you keep on JTPA funds required for support services -- such as day care and transportation -- and how those support services might encourage placement in job growth areas such as the suburbs?

Response to Question # 7:

ETA does not collect data on specific support service expenditures but we would estimate that the JTPA system spends between $100 - 120 million a year on support services. These funds may pay for a variety of services to help clients successfully complete a JTPA program.

Support service funds may be used for client transportation to locations where jobs or training sites exist including suburban areas. The extent to which this will occur will depend, in large part, on the clients' willingness to travel and work in those locations.

APPENDIX 2.—QUESTIONS AND ANSWERS FOR THE RECORD, ANNABELLE T. LOCKHART, DIRECTOR, DIRECTORATE OF CIVIL RIGHTS, DEPARTMENT OF LABOR

U.S. Department of Labor
Office of the Assistant Secretary
for Administration and Management
Washington, D.C. 20210

AUG 2 1991

AUG 2 1991

The Honorable Tom Lantos
Chairman
Employment and Housing Subcommittee
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

In your correspondence of July 18, 1991, you requested that I respond to four questions for the record as part of the subcommittee's July hearing on Race and Sex Discrimination in the operation of the Job Training Partnership Act (JTPA). Your questions, and our response to each, are as follows:

Question 1.

> The Labor Department's Directorate of Civil Rights is responsible for processing discrimination complaints and conducting compliance reviews of DOL grant recipients. That includes over 2300 local Employment Service offices, over 1700 local Unemployment Insurance offices, more than 80 Job Corps Centers, and more than 600 Service Delivery Areas (SDAs) covered by JTPA. How large is your staff? How many staff members are responsible for conducting compliance reviews in the JTPA program?

Response:

> In the FY 1992 appropriation request now before the Congress, the Directorate of Civil Rights has been authorized a staffing level of 66 budgeted positions. Thirty-two of those positions are allocated to Title VI compliance review and complaint activities, 26 positions are dedicated to processing Title VII EEO complaints of DOL employees, and the remaining 8 positions are responsible for carrying out the Department's Affirmative Employment Program. Of the 32 positions allocated to the Title VI program, 12 positions are directly involved in conducting compliance reviews. Four (4) of the 12 positions are responsible for conducting reviews of the JTPA program.

Question 2.

> According to your prepared statement, in the 4-year period from Fiscal Year '87-'90, your office conducted 26 compliance reviews of JTPA recipients or roughly 6 1/2 per year. How many JTPA grant recipients are there? How many JTPA compliance reviews have been completed?

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Response:

The direct recipient of JTPA funds is the Governor in each of the 50 States, Puerto Rico, the Virgin Islands, and the Mayor of the District of Columbia. Therefore, there are 53 JTPA grant recipients. Each State, including Puerto Rico, the Virgin Islands and the District of Columbia is divided into one or more SDAs. The Governor allocates funds among the SDAs. There are approximately 630 SDAs.

Each DCR compliance review includes both an evaluation of State-level systems and an assessment of the provision of services at one SDA within the State. Between 1987 to 1990, DCR initiated 26 JTPA reviews, or approximately one-half of all JTPA grant recipients.

Of the 26 JTPA reviews, DCR initiated one in 1987, seven in 1988, six in 1989, and 12 in 1990. Since December 1989, when I became Director, DCR has focused on completing action on older reviews that were outstanding. Most of those reviews did not involve JTPA grant recipients. Since December 1989, DCR has completed 53 reviews, most of which were not reviews of JTPA recipients. Four of those reviews were JTPA reviews. Prior to December 1989, one JTPA review was completed.

Question 3.

GAO found that in 34 States there was no usable SDA level data on the number of JTPA participants receiving specific services. Without such data how can your office conduct a meaningful compliance review?

Response:

Since January 1989, DCR has conducted 18 compliance reviews of JTPA recipients. In 15 of those reviews, the recipient provided adequate data for analysis. Reviews of recipients that do not provide adequate data are still carried out. They address aspects of the recipient's compliance as described in its Methods of Administration, such as complaint processing, physical and program accessibility for the disabled, contract assurances, etc. Also, DCR assesses whether discrimination may exist through staff and participant interviews, the review of participant records and the examination of the recipient's policies and practices. Additionally, a recipient who was unable to provide needed data must assure DCR that it can, in the future, provide it before a finding of compliance is made. In these cases, DCR schedules a follow-up monitoring review of the recipient.

Question 4.

In the two cases where you identified disparities and sent letters to the State JTPA agencies, what is the status of those cases? When did the compliance review begin in those cases?

Response:

It is unclear which reviews are of concern here. DCR has notified, in writing, more than two JTPA recipients of disparities. It may be that the reference is to the JTPA reviews conducted in Texas and New Mexico. In both of those cases the recipient has responded to our letter notifying it of disparities. In both cases, the recipient provided an explanation for the disparities but did not include any documentation to support the explanation. DCR does not accept a recipient's explanation of deficiencies unless the recipient provides supporting documentation.

In one case (New Mexico), we have responded to the letter in writing. Generally, DCR's response requests documentation to support the recipient's explanation. In the other case (Texas), we are completing our response. The on-site portions of the Texas and New Mexico reviews began March 28, 1988 and March 13, 1989, respectively.

We would like to make some additional comments for the record. DCR has long recognized the importance of technical assistance and training. For example, since its reorganization in 1986, DCR has provided formal training to Job Corps, Employment Service, Unemployment Insurance and JTPA grant recipients.

To address Equal Opportunity training needs within JTPA, DCR has designed an intensive, one-week skill-building training course for State and SDA JTPA staff. The course is designed for 16 to 20 participants per session to allow for maximum individual attention. Fully, one-half of this course is dedicated to topics related to the identification and resolution of discrimination. Since 1989, DCR has delivered this course to more than 300 State and SDA staff persons.

For your review, we are providing you with a copy of DCR's Equal Opportunity Handbook for JTPA. This handbook is used both as resource material during the training, and as a desk aid for staff who have EO responsibilities.

Another example of DCR's efforts to provide technical assistance and training to DOL grant recipients is our annual National Equal Opportunity Conference. As part of this conference, DCR brings together nationally known experts on topics of concern to grant recipients. Among the topics discussed at our most recent conference, held on July 24, 25 and 26, were cultural diversity, ethno-violence, intercultural communications and sexual harassment. This conference was attended by over 200 representatives of DOL grant recipients. We have enclosed a copy of the agenda for that conference.

I hope this information addresses your concerns.

Sincerely,

Annabelle T. Lockhart

ANNABELLE T. LOCKHART
Director
Directorate of Civil Rights

Enclosures

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